

**Democracy and Governance  
Strategic Assessment for  
USAID/Madagascar Integrated  
Country Strategic Plan (FY 2003-2008)**

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Under USAID Contract No. AEP-I-00-99-00041-00  
General Democracy and Governance Analytical Support and  
Implementation Services Quantity Contract**

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by

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## Acronyms and Glossary of Malagasy Terms<sup>1</sup>

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AAAA	AFGRAD Atlas Alumni Association
ADA	<i>Association pour le Développement d’Ambohitra</i>
ADIFCE	<i>Association des Détenteurs d’Intérêt de Ligne Ferroviaire Côte-Est</i>
ADR	Alternative Dispute Resolution
ADS	Automated Directive System
AFD	<i>Association Française pour le Développement</i>
AFFA	<i>Asa, fahamarinana, fampandrosoana, arinda</i> – “Action, Truth, Development and Harmony” in Malagasy (Political Party)
AKFM	Congress Party for the Independence of Madagascar
AKFM/F	Renovated Congress Party for the Independence of Madagascar
AGOA	Africa Growth and Opportunity Act
AGR	Agriculture
AIDS	Acquired Immune Deficiency Syndrome
ALJM	<i>Association Libre des Journalistes de Madagascar</i>
ANGAP	<i>Association Nationale de Gestion des Aires Protégées</i>
AOS	<i>Action Santé Organisation Secours</i>
APIFM	<i>Association Professionnelle des Institutions Financières Mutualistes</i>
ARDF	Africa Regional Democracy Fund
AREMA	<i>Association pour la Renaissance de Madagascar</i> , formerly <i>Avant-Garde de la Révolution Malgache</i>
AVI	<i>Ny, asa vita no ifampitsara</i> – “People are Judged by the Work They Do” in Malagasy (Political Party)
CAFED	<i>Confédération des Associations des Femmes et Développement</i>
CAMM	<i>Centre d’Arbitrage et de Médiation de Madagascar</i>
CAP	Commercial Agricultural Development
CEDII	<i>Centre d’Echanges, de Documentation, et d’Information Inter-Institutionnel</i>
CEM	<i>Caisse d’Epargne de Madagascar</i>
CNATP	<i>Conseil National d’Assistance Technique aux Provinces</i>
CNOE	<i>Comité National pour l’Observation des Elections</i>
COMODE	<i>Conseil Malgache des ONG pour le Développement et Environnement</i>
CRC	<i>Comité de Réflexion sur la Compétitivité</i>
CRD	<i>Comité Régional de Développement</i>
CRE	<i>Comité Régional Environnemental</i>
CRI	Caribbean Resources International
CSB	<i>Centre de Santé de Base</i>
CSD	Child Survival and Disease
CSO	Civil Society Organization
CSP	Country Strategic Plan
CTFAR	<i>Cellule Technique de Finarantsoa</i>
CTM	<i>Confédération des Travailleurs Malgaches</i>
DA	Development Assistance

<sup>1</sup> Malagasy acronyms and terms are translated in English. French and English acronyms are transcribed in the original language.

DG	Democracy and Governance
DHS	Demographic Health Survey
DRV	<i>Dinika sy Rindra ho an'ny Vehivavy</i> – “National Women’s Platform” in Malagasy (National Women’s Association)
EDDI	Education for Development and Democracy Initiative
EG	Economic Growth
ENMG	<i>Ecole Nationale des Magistrats et de Greffe</i>
ENV	Environment
ESF	Economic Support Fund
EU	European Union
FAFED	<i>Fédération des Femmes et Développement</i>
FFKM	Council of Christian Churches in Madagascar
FY	Fiscal Year
GEFP	<i>Groupement des Entreprises Franches et Partenaires</i>
GEM	<i>Groupement des Entreprises de Madagascar</i>
GIS	Geographic Information System
GOM	Government of Madagascar
GPI	<i>Groupement Parlementaire des Indépendants</i>
GPS	<i>Groupement Parlementaire pour la Solidarité</i>
GTDR	<i>Groupes de Travail de Développement Rural</i>
HIPC	Heavily Indebted Poor Countries
HPN	Health, Population, Nutrition
IEC	Information, Education, and Communication
ILO	International Labor Organization
<i>Ilo</i>	“Illumination” in Malagasy (USAID-sponsored project)
IMF	International Monetary Fund
INSTAT	<i>Institut National des Statistiques</i>
I-PRSP	Interim Poverty Reduction Strategy Paper
ISP	Integrated Strategic Plan
JPM	<i>Jeune Patronat de Madagascar</i>
JSI	<i>Jereo Salama Isika</i> – “We Are Healthy” in Malagasy (USAID-sponsored health project)
LDI	Landscape Development Interventions
LEADER- Fanilo	<i>Libération Economique et Action Démocratique pour la Reconstruction Nationale</i>
LRJ	Legal, Regulatory, and Judicial
MBA	Master of Business Administration
MDRM	<i>Mouvement Démocratique de la Rénovation Malagache</i>
MFM	<i>Mpitolona ho an'ny Fanjakan'ny Madinikay</i> - “Proletarian Power Party” in Malagasy (Political Party)
<i>Miray</i>	“Working Together” in Malagasy (Refers to project regrouping urban neighborhood associations)
MMDF	<i>Association des Transporteurs de Fianarantsoa</i>
MOJ	Ministry of Justice
MONIMA	<i>Madagasikara Otronin'ny Malagasy</i> – “Madagascar for the Malagasy” in Malagasy (Political Party)

NGO	Nongovernmental Organization
PADESM	<i>Parti des Desherités de Madagascar</i>
PADR	<i>Plan d’Action pour le Développement Rural</i>
PAGE	<i>Projet d’Appui à la Gestion de l’Environnement</i>
PAS	Public Affairs Section
PCLS	<i>President de la Communauté Locale de Sécurité</i>
PNUD	<i>Programmes des Nations Unies pour le Développement</i>
PRSP	Poverty Reduction Strategy Program
PSD	<i>Parti Social Démocrate</i>
R4	Results Review and Resource Request
Rary	“Weaving” in Malagasy (USAID-sponsored project)
RNCFM	<i>Réseau National des Chemins de fer Malgaches</i>
RPSD	<i>Rassemblement pour le Socialisme et la Démocratie</i>
SAP	Structural Adjustment Program
SECES	<i>Syndicat des Enseignants et Chercheurs de l’Enseignement Supérieur</i>
SEKRIMA	Christian Federation of Malagasy Trade Unions
SIM	<i>Syndicat des Industries de Madagascar</i>
SO	Strategic Objective
SOW	Statement of Work
SPA	Small Project Assistance
SPO	Special Objective
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection
TI	Transparency International
Title II	Section of US Public Law 480 related to food aid
UN	United Nations
UNICEF	United Nations Children’s Fund
US	United States
USAID	United States Agency for International Development
USG	United States Government
WWF	World Wildlife Fund

## Executive Summary

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This report provides an assessment of political conditions and democratization in Madagascar and develops options and recommendations for the Democracy and Governance (DG) component of the Mission Integrated Strategic Plan (2003-2008).

A three-person team recruited by ARD, Inc. and Caribbean Resources International (CRI), complemented by a civil society specialist from the Africa Bureau, conducted the assessment. The findings in this report represent the views of the team and not those of USAID/Madagascar or USAID/Washington. Team members conducted fieldwork in five provinces between July 18 and August 24.

This report is based on a review of the literature and interviews with a broad spectrum of Malagasy society — i.e., government officials, politicians, journalists, businesspersons, representatives of local nongovernmental organizations (NGOs), peasants' associations, women's organizations, trade unions, church groups, and other civil society organizations (CSOs). Extensive consultations were also held with the USAID/Madagascar staff as well as with US Embassy political and public affairs specialists to discuss the current Country Strategic Plan (CSP) and to inform Mission thinking and preparation of the Integrated Strategic Plan (ISP). The team also met with international donor officials to discuss donor DG activities.

For the DG assessment, the team adopted the methodology developed by USAID/Washington's Center for Democracy and Governance, which starts by defining the DG problem; looking at five key elements of democracy (consensus, rule of law, competition, inclusion, good governance); identifying key actors, their interests, resources, and alliances and the diverse political arenas in which they operate; and distilling a country-specific DG strategy based on the political analysis.

The report focuses on specific issues of particular concern to the Mission — e.g., corruption, decentralization, electoral processes, the role and relative strengths and weaknesses of civil society, the degree of women's participation, and the impact of economic conditions and policy on democracy. The report also looks at existing and potential synergies between the DG and Economic Growth (EG) sectors as well as between DG, EG, and Mission Strategic Objectives (SOs) in health and natural resources and provides options for the Mission to consider for the ISP.

The transition to democracy in Madagascar has been hampered by the absence of democratic traditions. Slavery and autocratic rule were widely prevalent in precolonial Madagascar. While abolishing slavery, French colonial rule was autocratic and highly centralized. Authoritarian traditions continued after independence (1960) when Madagascar was transformed into an essentially one-party regime led by Philibert Tsiranana who turned power over to the military in 1972.

Didier Ratsiraka assumed power in 1975 and established a regime based on Marxist principles. During the Second Republic (1975-1992), Ratsiraka ruled the country with an iron hand, created *Avant-Garde de la Révolution Malgache* (AREMA) which became the dominant party



and political force in the country, imposed tight state control over the media, rigged elections, and ruined the economy. However, donor pressures and popular discontent in the late 1980s forced Ratsiraka to take measures to begin the transition to democracy.

Political liberalization and constitutional reforms dismantled the Marxist regime and created the conditions leading to Ratsiraka's decisive defeat by Albert Zafy in the 1993 presidential elections. However, misrule and squabbling over power among leaders of the democratic opposition to Ratsiraka turned off public opinion and led to his return to power in the 1996 presidential elections. Ratsiraka has concentrated power in the presidency and taken control of the National Assembly, Senate, and newly created provincial councils through the resurrection of AREMA as the dominant national political party. The upcoming presidential election marks an important crossroads on the path of the country towards democratic development.

Several key obstacles block the path towards democratic development and government:

- the pervasive level of corruption at all levels of government and lack of political will to vigorously combat corruption;
- the failure of the regime to engage in political dialogue with its critics and its willingness to use force, intimidation, and other sanctions to silence, punish, and eliminate political opponents and critics;
- the regime's reluctance and/or incapacity to establish and/or apply a clear and coherent body of laws and decrees in such areas as decentralization, the organization of the media, electoral processes, reform of the civil service, and privatization;
- the poor state of political party development as reflected in weak party structures, lack of coherent platforms, limited efforts to recruit party members, and domination of leadership positions by a small elite;
- the widespread public disillusionment with and lack of faith in politicians, electoral processes, and judicial systems; and
- the huge and growing gap between the country's political and economic elite and the people, especially the rural poor and the shallowness of CSOs dominated primarily by the urban elite.

Many of these obstacles also hinder the country's economic development. Nevertheless, despite the above obstacles, Madagascar has made considerable progress since the late 1980s towards democratization as reflected in the following:

- the existence of representative communal-level government institutions and independent mayors enjoying the confidence of the public;
- the strength and commitment of the country's major churches to democracy, good governance practices, and fair elections;
- the relative absence of human rights abuses;
- the spread of local CSOs throughout the country; and

- the emergence of independent newspapers and radio and TV stations serving as alternative sources of information and critics of bad governance.

The main forces in the political arena consist of: (a) Ratsiraka, AREMA, and politicians and businesspersons profiting from their ties to the regime; (b) the older generation of political leaders committed to democratic practices but heading weak political parties lacking grassroots support and participation; and (c) a younger generation of politicians and reformers recruited primarily from the private sector.

Although Ratsiraka is less autocratic and more willing to accept political and economic liberalization than he was under the Second Republic, his regime is not above using the state's control over the organization of elections to ensure his victory in the elections scheduled for the end of the year. A Ratsiraka victory would likely slow the transition to democracy.

Based on the DG assessment and analysis of the Mission's experience to date, the team's overriding conclusion is that the Mission should carefully consider **increasing** its emphasis on democracy and good governance. Given the great gap between the ruling elite and the masses, the pervasiveness of government corruption, and USAID's limited resources, it will be important for the Mission to intensify its focus on DG concerns in order to protect its investment in technical sectors (Health, Population, Nutrition [HPN]; EG; Agriculture [AGR]; Environment [ENV]; Title II; disaster) and to ensure that its results in all sectors are sustained over time. The past performance of USAID's entire portfolio points to a high degree of synergy between DG and other sector accounts.

The analysis also suggests that USAID should consider a strategy that focuses DG and other sector resources on issues of inclusion (e.g., rural poor, illiterate persons, women and youth, strengthening civil society to contribute to public policymaking and implementation through participation in the decision-making process and oversight, fighting corruption, and fostering good governance practices and effective decentralization.

The Mission will have the most direct and durable development impact by:

- working primarily through **civil society** rather than through government and strengthen and deepen civil society by fostering inclusion, participation, and capacity building;
- facilitating the free flow of information and a strong independent media;
- promoting good governance through anti-corruption campaigns, civic education, and support for watchdog and advocacy groups;
- focusing efforts to strengthen local government and civil society at the communal level as the best means to ensure effective decentralization; and
- collaborating with all US Government (USG) agencies and Mission technical offices on the incorporation of DG concerns as crosscutting themes in USAID's diverse sectoral programs (HPN, EG, AG, ENV, Poverty Reduction Strategy Program [PRSP], etc.) as well those of the Embassy, Public Affairs Office, Defense Attaché Section and Peace Corps.

## I. Assessment of the State of Democratic Development in Madagascar

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### A. Political Climate for Democracy

#### 1. *Historical Background and Influences*

Settled by migrants from Asia and Africa, Madagascar is one of the rare countries in the world that can be classified as truly Afro-Asian. Despite its racial diversity and the presence of 18 distinct ethnic groups on the island, Madagascar has a common national language spoken by all the people. The Malagasy language comes from the Malayo/Polynesian language family and facilitates communication throughout the country. The “official” Malagasy language originated with the Merina and spread to the coastal areas where other dialects are spoken. French, the language of Madagascar’s former colonial rulers, is the second official language. Several historical factors continue to influence political culture and behavior in post-independence Madagascar:

- **The spread of Merina rule from the plateau to the entire island during the late eighteenth and early nineteenth century and the subordination of other ethnic groups, especially those on the coast, to the Merina.** Political cleavages between the Merina and the peoples of the coast still constitute a major feature of the contemporary political landscape.
- **A precolonial tradition of autocratic, personal, and highly centralized political rule accompanied by widespread corruption among government officials.** These conditions still prevail today.
- **The existence of highly stratified societies based on caste consisting of nobles, freemen, and slaves.** Former slaves continue to have low social status, rarely marry outside their caste, sit at the bottom of the economic ladder, and are generally excluded from positions of political leadership.
- **The lasting influence of nineteenth century British Protestant and French Catholic missionary activities.** Protestant influence remains strongest among the Merina elite because of the conversion of the Merina monarchy during the mid-nineteenth century while Catholic influence is strongest along the coast and among the country’s poor.
- **The concentration of political and economic power in the capital of Antananarivo both under the Merina kingdom and French colonial rule.** This phenomenon increased the gap between the capital and the rest of the country and exacerbated tensions between the Merina who constitute 88 percent of the population of the capital and the peoples of the coast.
- **A strong tradition of nationalist resistance to foreign rule and economic domination.** The Malagasy courageously took up arms to resist the French military conquest of the island. Under French colonial rule, the Malagasy organized secret societies to resist French rule. In March 1947, armed rebels launched a major insurrectionist movement that was brutally crushed by the French and led to the death of

close to 100,000 Malagasy. Opposition to Tsiranana's pro-French policies and the continued domination of the country's leading economic sectors were important factors contributing to his downfall and to the Second Republic's nationalization of French-run enterprises in the country.

- **The influence of French colonial rule.** The country's political institutions, legal system, and educational institutions are based on the French model while French remains one of the country's two official national languages. Mastery of French remains an important indicator separating the elite from the masses and excluding non-French speakers from holding high government positions. Despite its proximity to South Africa and the African continent, Madagascar retains particularly close links with France and the francophone world.

The current political party structure has its roots in post World War II Malagasy politics. Two of the most important parties founded in 1946 were the *Mouvement Démocratique de la Rénovation Malagache* (MDRM), a nationalist party with a predominantly Merina and Protestant leadership and the *Parti des Desherités de Madagascar* (PADESM) founded by a group of coastal nobles and minor officials. PADESM sought to gain the support of coastal peasants and the former slave classes of the plateau by awakening fears that the immediate independence sought by the MDRM would bring back Merina domination. The French dissolved the MDRM after crushing the 1947 insurrection and imprisoned its leaders despite the fact that no concrete evidence linked them to the rebellion. The MDRM never again regained its former stature. Divisions within the Merina political elites led to the creation of several small parties while the *Parti Social Démocrate* (PSD), founded in 1956 by a group of progressive coastal elites and led by Philibert Tsiranana, emerged as the largest party in the country. Tsiranana headed the first provisional government in 1957 and used patronage and control over the territorial administration to consolidate his power.

When independence came in 1960, Tsiranana manipulated electoral rules to ensure that any party gaining over 55 percent of the vote would win all seats in the National Assembly, thus transforming Madagascar into a predominantly one-party system at the national level. The primary political opposition remained concentrated in the capital and was led by Richard Andriamanjato who headed the Congress Party for the Independence of Madagascar (AKFM), a Merina-based nationalist party. Another important opposition party was Madagascar for the Malagasy (MONIMA), led by Monja Jaona. MONIMA's strength was in the southern part of the country. Tsiranana ruled as a benign dictator and relied heavily on the French to run the administration and economy.

Tsiranana's health and popularity began to decline in the late 1960s. Unrest in the countryside and in the capital in the early 1970s eventually brought down the First Republic and forced Tsiranana to resign as president and hand over power to the military, led by General Gabriel Ramanantsoa in 1972 who proceeded to accelerate the Malgachization of the administration, economy, and educational system. His successor, Richard Ratsimandrava, a radical populist reformer, was assassinated in February 1975, shortly after being named Head of State. A military directorate named Didier Ratsiraka, a young naval officer, to replace him as Head of State in June 1975.

Ratsiraka nationalized French economic interests, denounced French neocolonialism, and falling under Soviet influence, established a socialist regime based on Marxist principles. At the end of the year, a referendum approved by 94.5 percent of the population ushered in the Second Republic. Ratsiraka created AREMA in March 1976 as a government party and granted political rights only to those supporting the socialist revolution. The regime's economic policies and economic mismanagement led to the ruin of the economy and a sharp decline in living standards. Despite the regime's socialist rhetoric, the main beneficiaries were those connected with the president's family, friends, and political allies. Ratsiraka's secret police and goon squads intimidated political opponents and critics and eroded popular support for his regime. At the end of the 1980s, the collapse of the Soviet Union (which had supported the regime) forced Ratsiraka to turn to the West and to meet International Monetary Fund (IMF) conditionality in order to reschedule the country's massive foreign debt. Popular pressure forced Ratsiraka to end formal censorship in 1989 and resume multiparty electoral competition in 1990. Demonstrations and strikes in the capital precipitated the establishment of an interim government that elaborated a new constitution establishing a parliamentary regime in 1992, thus ushering in the Third Republic. The transition to democracy was underway.

Albert Zafy, a staunch opponent of the regime for many years, decisively defeated Ratsiraka in the 1993 presidential elections by a two-to-one margin. However, divisions among the political leaders sharing power and Zafy's political incompetence quickly eroded popular support for Zafy and the regime. A 1995 constitutional referendum strengthened the powers of the presidency. In 1996, the National Assembly voted to impeach the president. Didier Ratsiraka made a remarkable political comeback by narrowly defeating Zafy in the 1996 presidential elections.

Once in power, Ratsiraka resurrected AREMA as the country's dominant political party and used the state apparatus and manipulation of electoral rules to consolidate his political power and to take control of the National Assembly, Senate, and newly created provincial councils. Although not leading to a return to the autocratic and repressive days of the Second Republic, Ratsiraka's return to power slowed the democratic transition in Madagascar. In July 2001, Ratsiraka declared that he would run again for president in the elections scheduled for the end of the year. This year's presidential elections mark an important crossroad on the road to democratic development. The outcome will depend upon three major factors:

- the extent to which the regime will act to manipulate voting lists and election results to ensure Ratsiraka's victory;
- the ability of the political opposition to wage a vigorous political campaign and willingness to eventually unify behind a single candidate; and
- the degree of public involvement in the electoral process — e.g., voter registration, voting, and the presence of observers in polling stations.

## **2. *Consensus on the Rules of the Game***

One of the most positive developments since the fall of the Second Republic in 1992 has been the emergence of a general consensus in the country supporting multiparty democracy,

protection of basic human rights, and a liberal economy. In a poll taken in 1997, nearly 90 percent of the population of Antananarivo supported a multiparty system while only 10.4 percent opted for a single party.<sup>2</sup> At the same time, more than two-thirds of those polled also agreed the country had too many political parties (more than 125).

Notwithstanding the resistance of hard-liners within the regime to liberalizing the economy, stamping out corruption in the government, maintaining the neutrality of the territorial administration, and gracefully accepting the possibility of losing power, there is little likelihood of a return to the socialist policies and widespread abuse of human rights experienced under the Second Republic.

Despite the formal government commitment to democratic governance, there is little consensus, however, concerning the extent to which the rules of democratic governance should be and are actually applied. The lack of consensus pits political opposition parties, the private sector, and civil society critics against the regime in the following areas:

- the need for greater dialogue and sharing of information;
- the need for the government to more vigorously fight corruption;
- the need for the local administrative officials to maintain a more neutral stance in preparing for and organizing elections, and to end its intimidation of individuals and groups deemed to be hostile to the regime; and
- the need for the state media to maintain its neutrality and provide more open public debate over key issues and greater access to opposition political parties and civil society critics.

While there is a general consensus concerning the need for decentralization, there is a major lack of consensus concerning the future and nature of decentralization and state-local government relationships. When ousted from power, Ratsiraka sought and won the support of the “Federalists” who called for greater autonomy for the provinces. After returning to power, Ratsiraka pushed through constitutional reforms that, while preserving a unitary state, formally established the provinces as autonomous political entities. Political opponents have warned that handing over too much power to the provinces might encourage secessionist movements, undermine national unity, and reduce the freedom of other local government institutions — e.g., urban and rural communes — to manage their own affairs. AREMA’s control over all of the country’s six provincial councils and the government’s failure to clearly spell out its plans for transferring power and resources to the provinces have made it even more difficult to reach a general consensus concerning the future of state-local government relationships.

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2 Francois Roubaud, *Identités et Transition Démocratique: L’Exception Malgache?* (Paris: L’Harmattan, 2000), p.123.



### 3. *Rule of Law*

A major component of democratic regimes, the rule of law remains problematic in Madagascar. As in many African states, the judiciary lacks independence and is subordinated to the executive.

Historically, there has been little support among Madagascar's political elite to strengthen the powers and independence of the judiciary vis-à-vis the executive and legislative branches of government. While the constitution calls for an independent justice system and the independence of judges, this provision is undermined by the subordination of judges to an administrative hierarchy dominated by the executive. Although magistrates, theoretically, cannot be removed from office or transferred without their permission, the president, in addition to his power to name all magistrates, also has the power to fire them under certain conditions.

Low pay, poor working conditions, and a culture of impunity have contributed to widespread corruption among judges who are also subject to strong pressures by those in power to follow orders rather than hand down impartial decisions. Citizens have repeatedly expressed frustration with, and lack of faith in, the impartiality of judges and local magistrates.

Alternative Dispute Resolution (ADR) mechanisms like the *Centre d'Arbitrage et de Médiation de Madagascar* (CAMM) have emerged to arbitrate disputes in the private sector. CAMM has a roster of well-trained arbitrators and the potential to become economically viable through the commissions it charges to its clients. But it remains to be seen how widely used CAMM will be used by the private sector. As of March 2001, it had yet to handle its first case.

Mediation mechanisms also exist to resolve customs and labor disputes. The 1996 law concerning the transfer of control over the management of renewable natural resources from state agencies to local communities also calls for the establishment of mechanisms to arbitrate disputes that might arise in the process.

Even when judges hand down impartial decisions to fine or send violators of the law to prison, these decisions may be reversed by the failure of the executive to enforce the law. For example, after a judge fined and sentenced a businessman in the capital to 18 months imprisonment for cheating in a business deal, the guilty party was freed while on his way to prison by a group of policeman sent by a high government official.<sup>3</sup> No explanation was ever given as to what grounds justified this measure. The regime's use of local administrative officials to harass and intimidate political opponents and civil servants not aligned with governmental political parties, and the failure of the government to respect legal decisions handed down by the courts, constitute other shortcomings in the establishment of the rule of law.

Another area of weakness in the rule of law is the existence of incoherent and incomplete laws and legal codes that make it difficult or impossible to apply the law in a coherent manner. For example, the constitution calls for the creation of regions as decentralized units of government. However, regions and regional councils do not exist because of the failure to follow up the

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<sup>3</sup> "Justice contre toute impunité", *Madagascar Tribune*, July 31, 2000.

constitutional mandate with more specific laws and application decrees. The absence of regional councils in turn has also meant that many NGOs have no formal legal status since the 1997 law governing the organization of NGOs calls for their certification by regional-level bodies. Nearly a decade later, no such council exists.

The incoherence and incompleteness of the law can be attributed to several major factors:

- the limited number of skilled legal specialists in the government to draft new legislation;
- the lack of coordination among different government ministries and services responsible for drafting legislation and regulations;
- the incapacity of the National Assembly and Senate to study, process, and deliberate the huge backlog of legislation presented by the executive in a timely manner;
- the proclivity of the government to draft laws, regulations, and decrees behind closed doors without consulting members of the legal profession, the parties most affected by them, and the general public;
- the unwillingness of the Ratsiraka regime to draft new legislation and rules deemed to be against its interests — e.g., anti-corruption legislation and laws to establish a communications council with powers and resources to monitor and ensure greater public access to the state-controlled media, etc.; and
- the general ignorance of the public concerning their legal rights and obligations under the constitution, organic laws, and regulations directly affecting them.

The limited amount of resources (less than one percent) allocated by the national budget to the Ministry of Justice (MOJ) have hampered recent efforts by the MOJ to improve the quality of the legal system. Limited budgetary resources also provide a partial explanation for the atrocious conditions in Madagascar's prisons and for the fact that two-thirds of the persons held in custody are in pretrial detention. Most of the government's efforts to enhance the rule of law in Madagascar have been promoted and financed by the international donor community.

In the rural areas, customary institutions based on traditional law (*dina*) are still functioning. These institutions traditionally maintained order, tried and punished violators of the law, and intervened to resolve disputes within and between villages. Human rights reports have noted that *dina*-based authorities have used torture to gain confession and meted out summary and severe punishments. The growing levels of crime and insecurity in the countryside have reinforced the role of the *dina*-based courts. In response to the criticism concerning the lack of due process and respect of standard judicial procedures in the *dina*-based courts, the government has recently expressed its determination to bring them more closely under the control of the MOJ.

Notwithstanding the problems cited above, several signs point to progress in the area of rule of law. These include the following:



- the codification, publication, and distribution of the main body of Madagascar law to judges and other government officials;
- modernization of the curriculum at the *Ecole Nationale des Magistrats et de Greffe* (ENMG) and additions to the curriculum to include commercial law;
- improved communications and cooperation among judges, government legal officials, and members of the legal profession through the publication of a law journal;
- the formation of a National Bar Association;
- the training of arbitrators and mediators to handle business disputes through the formation of CAMM;
- the establishment of the Office of Ombudsman to investigate citizen complaints concerning the abuse of power by administrative officials;
- the MOJ's firing of several judges found guilty of corruption and efforts to upgrade the professional level of its staff;
- increased coverage of rule of law issues by the independent media;
- anti-corruption campaigns led by the churches and other civil society groups;
- the absence of widespread human rights violations and political prisoners;<sup>4</sup> and
- growing interest on the part of the public to have more and better information concerning legislation and rules affecting their lives (e.g., peasant leaders in Fianarantsoa Province expressing appreciation for getting information about laws and rules concerning the functioning of the rural communes and an interest in getting more information about land tenure laws).

#### 4. *Competition*

Open multiparty competition was discouraged under both the First and Second Republics. While allowing other political parties to exist, the Tsiranana and Ratsiraka regimes manipulated electoral rules to ensure that their party controlled all the main levers of power at the national level. The early 1990s ushered in a period of unlimited electoral competition and led to the creation of more than 120 political parties by the end of the decade. The limited number of large, well-organized, and disciplined political parties capable of forming and maintaining a stable government coalition during the mid-1990s contributed to the creation of a chaotic political situation, the impeachment of Zafy, and new presidential elections which brought Ratsiraka back to power. Once in power, Ratsiraka has sought to strengthen the executive and to ensure his and his party's control over the National Assembly, Senate, and provincial councils. Although perhaps the best-organized and broadest-based party in the country, AREMA has not been able to win much more than 40 percent of the vote in any election.

Manipulation of election rules has given AREMA more strength than merited by the percentage of votes won in elections. Though winning only 25 percent of the vote in the 1998 legislative

<sup>4</sup> US Department of State, *Country Reports on Human Rights Practices-2000, Madagascar*. Washington DC: Bureau of Democracy, Human Rights and Labor, February 2001.

elections, AREMA holds 68 of the 150 seats in the National Assembly, and 74 of the 90 seats in the Senate. Election rules for the provincial council elections held in December 2000 enabled AREMA, with a little over 40 percent of the vote, to control all of the six provincial councils, and to elect governors who were either directly affiliated with AREMA or were the personal confidants of the president. AREMA is weakest in urban areas, winning control over only 14 of the country's 45 urban communes in the 1999 communal elections.

The regime uses its control over the state apparatus, patronage, and intimidation of political opponents in rural areas, and manipulation of election rules to reduce its political competition. The National Assembly and urban communes stand out as the only political institutions not firmly controlled by Ratsiraka and his party.

The concentration of power in the hands of the president and AREMA, and efforts to reduce political competition constitute a clear-cut danger to democratic development. On the other hand, Ratsiraka and AREMA are far from eliminating political competition for several reasons:

- divisions within AREMA between hard-liners aligned with Ratsiraka and those open to dialogue with the political opposition,
- the softness of AREMA's electoral base and the opportunism of many of those currently allied with Ratsiraka and AREMA,
- the staying power of political forces associated with the older generation of opposition political leaders that brought down the Second Republic,
- the emergence of new independent political leaders enjoying broad popular support in the urban areas, and
- the strong commitment of the major churches to open and fair elections.

Competition is also now much greater in other arenas previously monopolized by those in power during the heyday of the Second Republic when the regime exercised tight control over the media, civil society, and economy. These are now areas in which individuals have considerable freedom to create, organize, and manage groups and associations not directly controlled by the government. Competition in these areas constitutes a major counterweight to regime efforts to reduce competition in the political and economic arenas and has the potential to serve as a catalyst for the acceleration of democratic development. Increased competition since 1990 can be found in the following phenomena:

- the end of state censorship of the media, the emergence of independent radio and television stations alongside state-owned radio and television, and the end of the state's monopoly over the flow of information;
- the existence of four independent daily newspapers in the capital that have not been afraid to criticize the government;
- the proliferation of autonomous CSOs not affiliated with or closely regulated by the state;

- the emergence of a relatively autonomous entrepreneurial class not totally dependent upon and controlled by the state, willing to lobby for economic liberalization and to contest the state's economic policies; and
- the emergence of relatively autonomous urban local government institutions seeking to provide and produce public goods and services without relying exclusively on central government financial resources.

## 5. *Inclusion*

Inclusiveness implies the participation of all groups and members of society in the political process and the eradication of discrimination based on race, ethnicity, region, religion, class, and gender. Inclusiveness is an important component of democratic systems.

Like most liberal constitutions, the Malagasy constitution is inclusive in forbidding discrimination based on race, religion, ethnicity, sex, and political opinions. However, an examination of contemporary political and economic realities in Madagascar suggests several areas in which exclusion is the rule rather than the exception:

- Since independence, an unwritten rule in the political system has been the exclusion of plateau-based Merina candidates assuming the presidency.
- Women are largely excluded from holding political office, especially in rural areas.
- The Ratsiraka regime is reluctant to share power and gives preferential treatment to civil servants, entrepreneurs, and civil society leaders allied with Ratsiraka and the party in power while excluding political opponents, regime critics, and businesspersons not willing to play ball with the government.
- Despite often intense competition for power within the elite, political and economic power remains concentrated in the hands of a tiny elite who make the main decisions affecting Madagascar's national life.
- Non-French speakers, who generally have less formal education than members of the political elite, are largely excluded from leadership positions in national-level organizations.
- Members of the former slave classes, who constitute the poorest group in society, are also largely excluded from holding high political office, marrying outside their group, and having equal access to educational and career opportunities.
- The increasingly impoverished rural masses are largely excluded from participating in the benefits of the modest rates of economic growth enjoyed by the country in the past few years.
- Young people are also generally excluded from leadership positions in most political parties and CSOs and tend to be apolitical when compared with youth, especially urban youth, in other African countries.

- Regional and local-level leaders, organizations, and institutions are largely excluded from participating in national-level decision-making because of the concentration of power and national leadership in the capital.

Unlike many other African countries, Madagascar does not suffer from major ethnic, racial, and religious divisions. Racial divisions between the lighter-skinned Merina and darker-skinned Malagasy of African origin are present, though not a major source of conflict. Ethnic and regional loyalties are very important and constitute the basis for political cleavages between residents of the coast and the plateau. The Ratsiraka regime, however, has made a strong effort to balance ethnic and regional participation in the membership of the government. Thus, while a disproportionate number of ministers come from the president's regions, all regions have substantial representation in the government. Representation rules determining the composition of the Senate have led to the underrepresentation of the predominantly Merina Antananarivo Province, which contains about 25 percent of the country's total population. Ethnic cleavages among different ethnic groups are a factor in some provinces. Anti-Merina sentiments are considerable outside of the plateau and some Merina harbor feelings of superiority over the coastal peoples.

Racial cleavages and tensions also exist between the nonindigenous Chinese and Indo-Pakistani business communities and native Malagasy. Much of the tension derives from the dominant and very visible position of these communities in key sectors of the economy. The Chinese appear to have done a better job of integrating into the country than the Indo-Pakistani population who rarely marry outside of their group. The recent murders of prominent Indo-Pakistani businesspersons and the failure of the government to find their killers have aroused the concern of that community.

Cleavages based on religious differences are thus far not major factors in the political life of the country. Despite traditional rivalries and competition between the Catholic and Protestant churches, the four major churches in the country have worked closely together to promote common interests in promoting democracy. The Muslim minority is represented in the country's national institutions. Five Muslims sit in the National Assembly and three serve as ministers.

Participation in elections constitutes another important area in determining the degree of inclusion or exclusion in society. Election observers have argued that the government has deliberately reduced the number of registered voters in order to prevent individuals and groups thought to be hostile to the regime from voting.<sup>5</sup> The number of registered voters declined more than two million from 6.7 million during the 1996 presidential elections to less than 4.6 million during the March 15, 1998 referendum on constitutional reform. At the same time, political analysts have noted a strong tendency of self-exclusion through absenteeism on the part of voters because of their disillusionment with politics and alienation from political life.<sup>6</sup> In the December 2000 provincial council elections, only 45 percent of those registered voted — the

<sup>5</sup> Andrimaso FFKM, *Election aux Provinces Autonomes du 03 Décembre 2000, Rapport Final*, Atananarivo, March 2001.

<sup>6</sup> Francois Roubaud, *Identités et Transition Démocratique: L'Exception Malache?* pp. 22-32.

lowest percentage since independence. In the capital, the abstention rate was 80 percent. Abstention rates were also exceptionally high in the provincial capitals.

In early August, the popular Mayor of Antananarivo, Marc Ravalomanana, announced that he would run for the presidency. This announcement, along with the high stakes involved in the coming presidential elections, and the decision of the Council of Christian Churches of Madagascar (FFKM) — which comprises the four major Christian denominations in the country — to work hard to get voters to register and participate in the elections, point to a reversal of the trend towards higher abstention rates.

## **6. Good Governance**

Democratization processes are not always accompanied by good governance practices. In Madagascar, governance remains a key issue. The requirements for good governance in a democratic setting include transparency, accountability, efficient provision of public services, the rule of law, and public participation.

Corruption is both a major cause and symptom of bad governance. A 1999 report commissioned by USAID/Madagascar maintained that corruption was systemic and pervasive.<sup>7</sup> A 1995 poll taken in the capital cited by the report found that 96 percent of those polled considered corruption to be a major issue, 40 percent had personally experienced corruption, and 39 percent perceived corruption among senior government officials as one of the key constraints on the country's development. A recent survey of users of the justice system, also cited in the study, revealed that the most common complaint concerned the extent of corruption in the form of bribery and exploitation of personal relationships.

Some of the following conditions contribute to a climate in which corruption can flourish:

- the selective and inconsistent enforcement of laws and regulations;
- failure to apply the law because of the lack of political will or institutional capacity;
- low levels of transparency and responsiveness that increase the discretionary powers of officials and undermine accountability;
- the unavailability of basic information to citizens that permits them to discover, expose, and check abuses of power;
- low salary levels that increase the temptation to demand or accept bribes to make ends meet; and
- a culture of impunity in which violations of the law and abuse of power are not sanctioned.

Bad governance practices in Madagascar are reflected in some of the following forms of government behavior:

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<sup>7</sup> Derick Brinkerhoff and Leslie M. Fox, *Combating Corruption in Madagascar: An Analysis and Assessment*, July 1999.

- the lack of government responsiveness to concerns expressed by civil servants, the media, civic groups, and the private sector in such areas as civil service reform, demands for anti-corruption laws, more transparent electoral processes, and competitive bidding for government contracts;
- the use of political criteria and nepotism rather than merit criteria in recruiting and promoting government officials;
- the lack of transparency in the allocation of government contracts; the granting of licenses to exploit the country's natural mineral, forestry, and fishing resources; and the operation of state enterprises;
- the tendency not to share information about government operations or to consult with other political institutions, specialists, and the public when drafting new laws and regulations; and
- the preferential treatment given to businesspersons with close ties to the president and his political allies.

Within the government, the MOJ has taken measures to sanction corrupt judges, draft anti-corruption legislation, and send instructions to judges and other officials to respect the rule of law. However, anti-corruption campaigns have received little support within the government outside the MOJ. The government has also bottled up a draft of an anti-corruption law that has, up to now, not been presented to the public or the legislature for discussion.

The main forces combating corruption outside the government are the media, church groups like *Justice et Paix*, and civic organizations. Their efforts tend to be concentrated in the capital and the larger cities. The independent dailies in Antananarivo have published many exposés of corruption and attacked corruption in their editorials. At the same time, the press has exercised a considerable measure of self-censorship in attacking corruption at the highest levels of government.

The ability of CSOs like *Comité National pour l'Observation des Elections* (CNOE), UNA-CIVILE, and the Malagasy branch of Transparency International (TI) to combat corruption is limited by weak institutional capacity as reflected in their limited financial resources and heavy dependence upon volunteers and donor funding. Donors have been a major force behind efforts to combat corruption and have funded a wide range of programs and groups to achieve this goal.

The reluctance of people to openly challenge and confront state institutions also hinders anti-corruption campaigns. Malagasy cultural traditions encourage obeying leaders. This is particularly true in rural areas where people hesitate to openly accuse and criticize village leaders for fear of disrupting community harmony. In the countryside, citizens generally have little knowledge of government texts affecting their lives. Nor do they have much understanding about the nature of their rights and civic duties.



Good governance means more than just eliminating corruption, nepotism, and clientelism. It also refers to government efficiency in carrying out its functions and providing public goods and services to the people. Although contributing to inefficiency and misallocation of resources, corruption is not the only cause of inefficiency. Weak institutional capacity also must be considered.

Government agencies often lack the financial and skilled human resources and access to information needed to properly carry out their duties. Low salaries and nepotism in recruitment and promotion practices may discourage competent people from entering government service. Administrative officials in the countryside have complained about the lack of vehicles and fuel needed to make their rounds to organize and supervise elections properly. One astute observer of the Malagasy political scene has attributed the sharp drop in the number of registered voters primarily to incompetence rather than to any conspiracy on the part of the government.<sup>8</sup>

Good governance is not an issue just for government. It is also needed in all sectors of society. Thus, private sector enterprises, civic organizations, NGOs, trade unions, and other CSOs also have to deal with governance issues in managing their organizations.

Despite widespread corruption, an inability to provide the level of public goods and services needed to satisfy the health and educational needs of the people, and the growing impoverishment of the rural populations, the Ratsiraka regime's governance record under the Third Republic is still better than it was during the Second Republic for the following reasons:

- Improvements in the management of the macroeconomy made possible through reforms in the Ministry of Finance have set the stage for economic growth rates of four to five percent over the past few years. Under the Second Republic, economic mismanagement led to negative growth rates and a sharp decline in living standards.
- In addition to rewarding his old friends and allies with high government posts, Ratsiraka has also recruited competent technocrats like the Prime Minister who also serves as Minister of Finance, and the Minister of Justice to serve in his government. These two ministries have attracted considerable financial support from donors like the World Bank and USAID/Madagascar to improve their performance.
- The present government is more pragmatic and effective than Ratsiraka's ideologically based socialist government under the Second Republic and less hostile to the development of the private sector.

One of the most promising developments in the governance area has taken place in urban communes like Antananarivo, Fianarantsoa, Mahajanga, and Fort Dauphin where the mayors have shown greater responsiveness to public concerns and have made a strong effort to improve municipal services. One of the main sources of the growing popularity of the Mayor of Antananarivo has been his ability to repair streets, improve garbage collection, and maintain public buildings.

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<sup>8</sup> Francois Roubaud, *Identités et Transition Démocratique: L'Exception Malgache?* pp. 25-26.

The transition to democracy taking place in Madagascar has been a necessary but insufficient condition for improving governance practices in Madagascar. Criticism by the media, opposition politicians, and concerned CSOs, however, puts pressure on the regime to conform to good governance standards. Free and fair elections also give citizens the possibility to replace those in power with new leaders who may be more committed to good governance practices.

## **B. The Political Will for Decentralization**

Madagascar has a long centralization tradition under both precolonial Merina rule and French colonial rule. Precolonial Madagascar had limited village self-rule associated with the institution of the *fokonolona*, a village council composed of village elders and other local notables. The *fokonolona* maintained order, managed collective community resources, and provided economic and social assistance. Historically, the *fokonolona* evolved as a Merina institution that was implanted in other parts of the country under Merina and later French colonial rule.

Before World War II, Madagascar had no modern autonomous local government institutions. In 1946, the French divided the country into six provinces headed by a provincial chief named by the governor-general. These entities were primarily administrative units. In 1956, measures were taken to create decentralized units of local government at the communal level and to increase the powers of the provincial councils.

Under the First Republic, decentralization followed in the footsteps of the French colonial heritage with local government operating at both the provincial and communal levels. Although the provincial councils had a budget, they did not enjoy the status of financially autonomous institutions. The communes remained under the tutelage of the Ministry of Interior and the Ministry of Finance. The territorial administration through the *préfets* and *sous-préfets* closely supervised the activities of the rural and urban communal councils.

Decentralization under the Second Republic consisted of establishing four different levels of local government from the province down to the village level. Under this system, each unit of local government had to submit to the authority of the local government unit above it in the hierarchy. In practice, the central government and the governing party (AREMA) dominated and controlled local government. Although the Second Republic formally recognized the nearly 12,000 *fokonolona* as grassroots local government units, the *fokonolona* under Ratsiraka's socialist regime were not expected to exercise any initiative but to implement policies formulated by the government.

The political will to establish autonomous local government institutions free to manage their own affairs was reflected in the provisions for decentralization in the September 19, 1992 constitution which called for creating three levels of local government and the division of the country into six provinces, 28 regions, and 1392 rural and urban communes. This proposal regarded the provinces as decentralized local government bodies within a unitary state.



As a result of the political turmoil during the mid-1990s, the urban and rural communal councils remained the only functioning decentralized units of local government, with communal elections taking place in 1995 and again in 1999. Ratsiraka's victory in the 1996 elections owed much to his alliance with the so-called "Federalists," who articulated the coastal people's hostility to being dominated by the predominantly Merina capital. As an old-time socialist and proponent of democratic centralism, Ratsiraka found it difficult to create a federal system in which local government would be free from central government control. Instead, he opted to create a system of "autonomous" provinces within the framework of a unitary state.

The 1998 constitution and passage of organic laws related to the autonomous provinces called for the transfer of powers and resources from the central state to the provinces. Provincial elections took place in December 2000 and provincial legislative councils and provincial executive structures were put in place during the first half of 2001.

A careful analysis of the decentralization process suggests a complex, ambiguous, and possibly Machiavellian decentralization scenario characterized by:

- a legal situation in which the powers and financial resources of the so-called "autonomous" provinces are determined by laws and decrees formulated by the centralized state — thus, the annual financial law determines just how much resources the state will transfer to the provincial councils and in what areas the provincial council can raise its own revenues through taxation;
- a legal situation in which the structures of provincial government have been put in place — i.e., provincial councils and councilors, an executive body headed by a governor, and general commissioners who serve as "ministers" with specific portfolios within the provincial government — without being given the human and financial resources for providing public services and investments;
- a situation in which the provincial councilors had nothing to do since their election in December 2000 except to elect senators and governors;
- a political situation in which AREMA captured control over all of the provincial governments and councils and positioned itself to exercise control over all the communal, local government districts within its jurisdiction;
- a situation in which the provincial governments might have the same powers as the central government had in the past in determining the boundaries, powers, and financial resources of local government districts — with AREMA controlling the provincial councils, this poses a serious threat to the autonomy of the communal councils;
- a situation in which regions and regional councils may continue to remain a paper entity rather become a concrete reality as long as the Ratsiraka regime and AREMA remain in power; and
- a situation in which the government has not articulated its position concerning the future of central state-local government relationships and the division of power and resources among the different levels of resources.

The political will to increase the powers of the autonomous provinces on the part of the Ratsiraka regime may have been absent if the shoe had been on the other foot and the provincial councils controlled by the political opposition. Even if sweeping powers and resources are eventually transferred to the provincial level, it will still take a few years for the provincial councils to become fully functional. In the meantime, the communes will remain the only fully functioning local government unit, and the one whose leadership is closest to its constituents.

### **C. Economic Factors Influencing or Affected by Democratic Processes and Governance Practices**

The staying power and stability of democratic regimes depends to a large extent upon the ability of the regime in power to satisfy the basic economic needs of its people and to convince them that it is acting in their interests. Economic factors have had an important influence on regime stability in Madagascar. The country's economic prosperity during the 1960s played a major role in enhancing Tsiranana's popularity and in the acceptance of French control over the leading sectors of the economy. The economic slowdown at the end of the 1960s and early 1970s made France's continued economic domination of the country less acceptable and was an important contributing factor to the decline of Tsiranana's popularity and his eventual fall from power.

Under the Second Republic, Ratsiraka's bad governance practices, mismanagement of the economy, and use of power to enrich his family and friends led to the ruin of the economy and sharp declines in the living standards of all segments of the population. This in turn led to a sharp decline in Ratsiraka's popularity and set the stage for the mobilization of democratic forces demanding his ouster. Zafy's mismanagement of the economy at the beginning of the Third Republic in turn set the stage for the return of Ratsiraka to power.

Since one of the major objectives of USAID/Madagascar is the reduction of poverty through synergies between DG and EG activities, it is important to identify and clarify the relationships between economic factors and democratic processes. One can identify several important relationships between economic factors and policies and democratic processes under the Third Republic:

- Economic liberalization policies have created an environment for the development of an autonomous and dynamic private sector, which has contributed to higher economic growth rates.
- The emergence of an autonomous and dynamic private sector has provided a recruiting ground for a new breed and generation of independent politician committed to both political and economic liberalization and democratic and good governance practices.
- Bad governance practices have led to a misallocation of economic resources that makes it more difficult for government to provide the public goods and services to meet the basic needs of the people.

- Growing demands for good governance practices puts pressure on the government to become more accountable to public opinion and more transparent in its operations that in turn could contribute to a reduction of corruption and better use of public resources.
- The failure of the government to introduce reforms in the land tenure system has increased land hunger, reduced the living standards of peasant families, sparked migration from one rural area to another and to the towns, and contributed to environmental deterioration.
- The desperate poverty of many rural people makes them vulnerable to vote buying and more cynical about the value of government and election processes.
- The great concentration of economic power in the capital and the lack of initiatives taken by the government to invest in the provinces have widened the gap between those living in the capital and those living in other regions and contributes to the exacerbation of regional and ethnic tensions and plateau versus coast rivalries.
- Good governance practices in a democratic setting call for taking measures to reduce the economic gap between the capital and the rest of the country and the grinding poverty of the rural populations. Little has been done in this area.
- Improvements in implementing the rule of law contribute to a more propitious economic climate for foreign and domestic private sector investment that in turn can generate economic growth and greater employment opportunities. Shortcomings in this area have undermined private sector confidence and slowed the rate of investment.
- The generation of accurate information concerning the state of the economy, living conditions, and patterns of government spending is essential for sound economic planning. Improvements in data generation have identified key economic and social problems — e.g., the growing impoverishment of the rural masses, and the decline of educational and health services for the poor.
- Transparency and the dissemination of information to the public is essential to increasing public awareness and understanding economic and social issues, provides the basis for making sound judgments about the efficacy of government policies and practices, and is a strong weapon in the battle against government corruption.

#### **D. The Potential for Conflict**

Madagascar's recent political history has been characterized by periods of political and social peace broken by sudden bursts of sharp conflict and violence. Over the past half century, the country has experienced the 1947 insurrection against French rule; the rural and urban uprisings in the early 1970s that brought down the Tsiranana regime; and the demonstrations, strikes, and violent protests that led to the downfall of the Second Republic.

The potential for violent conflict is present. The high stakes in the forthcoming presidential elections can exacerbate old *plateau-côtier* and ethnic rivalries and tensions, with two of the leading opponents to Ratsiraka coming from the Merina elite in Antananarivo Province. Regime efforts to intimidate key opinion leaders and voters and to manipulate electoral processes and results, and resistance to these efforts could lead to demonstrations and violent

clashes between supporters of the opposing parties. Tensions and the potential for violence are likely to be greatest in the capital. Clashes are less likely in the countryside because of the alienation and indifference of much of the rural population to party politics and elections. However, the growing impoverishment of the rural masses, if not reversed, could eventually lead to violent outbursts in some regions like the ones that have periodically broken out in the south.

Growing competition for access to and control over natural resources like farmland, forestry resources, fishing areas, and minerals constitutes another potential source of conflict. Rural poverty and land hunger have pushed farm families from the poorer regions to move to other regions where more land is available, thus increasing tensions between the local populations and newcomers. The struggle for access to fishing areas between locally based, small-scale fishermen and larger, commercial fishing enterprises in Mahajanga Province; disruptions and environmental damage caused by the mining of ilmenite by a multinational firm; and traditional zebu-raiding in areas characterized by large influxes of newcomers provide other examples of areas of potential conflict.

If the fruits of economic growth appear to be captured primarily by non-Malagasy, one could also see an intensification of nationalist sentiments that might be directed against the Chinese, Indo-Pakistani, Comoran, and French business communities in the country.

Although religious differences between Muslims and Christians have not been a major source of conflict, cleavages among different Muslim groups within the Muslim population could spill over into the broader society. Resentment against the predominantly Muslim Comoran and Indo-Pakistani business communities could also take on religious overtones.

The relative absence of conflict within the major Christian churches, and their collaboration in promoting democracy and human rights, are factors that might mitigate potential political, religious, and ethnic conflict.

## II. Forces Supporting and Opposing Democratic Development

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### A. Key Political Actors

#### 1. Political Parties and Alliances

Since the restoration of multiparty politics in 1990, more than 120 political parties have emerged. However, only nine political parties won enough votes to gain representation in the 1998 elections to the National Assembly. Most political parties, even the larger ones, have weak organizational structures, little grassroots support, and are dominated by one or two political personalities. Support for some of the larger political parties tend to be concentrated in one province. Madagascar also has a tradition of politicians and political parties shifting alliances and going with the winner.

This analysis will focus on the evolution of political parties and alliances since political parties in Madagascar can be divided into four basic groups:

##### a. Political Parties Directly Aligned with the Ratsiraka Regime

The most important of the governing parties is AREMA, the party founded in 1976 by Ratsiraka as a revolutionary party during the early days of the Second Republic. Reflecting the new political realities, the party changed its name to the *Association pour la Renaissance de Madagascar*, while retaining the old initials.

AREMA clearly dominates the ruling coalition, holding two-thirds of the cabinet posts and controlling most of the key ministries. The best structured and most broadly based party in the country, AREMA has strong representation in all six provinces with its greatest electoral support in Toamasina Province, the fief of President Ratsiraka. Largely the instrument of the president who governs according to his own lights, the party exercises relatively little influence on national decision-making. Its Secretary-General, Pierrot Rajaonarivelo, comes from the same province as the president, and holds the post of Vice Prime Minister in Charge of the Budget and Development of the Autonomous Provinces. Rajaonarivelo is regarded as a potential successor to Ratsiraka who himself has shown little inclination to step down or to groom a “dauphin” to take his place. The Secretary-General is more willing to engage in dialogue with the political opposition than Ratsiraka and other hard-liners in the party and represents the younger modernizing generation of AREMA party cadres.

Much of the glue that holds the party together is access to state resources and preferential treatment in getting government jobs, contracts, and licenses. AREMA has succeeded in winning the votes of a large segment of the urban and rural poor through patronage and vote-buying strategies. As the dominant governmental party, AREMA has attracted allies who have joined forces with the president and AREMA through opportunism rather than any commitment to a common program. The new AREMA has abandoned its old socialist ideology and orientation and now claims to support political democracy and economic liberalism like most of Madagascar’s other political parties.

Ratsiraka has strong allies in businesspersons and former managers of parastatal agencies who did well under the Second Republic, thanks to their personal ties with the president. Supporters also include influential members of the Indo-Pakistani business community.

Until it left the government at the end of September, LEADER-Fanilo was the second most important political party in the government coalition. Led by Herizo Razafihamaleo, a dynamic Betsileo and American-educated businessman, LEADER-Fanilo, however, had little in common with AREMA. Membership in the coalition gave the party three ministerial posts, access to information not available to opposition parties, and some degree of protection from political harassment in the countryside. While his party was in the government, Herizo was a frequent though cautious critic of government policies and performance and worked to position himself and his party to run for the presidency. In late September of this year, Herizo, at LEADER-Fanilo's National Congress, took the party out of the government and into the opposition and was chosen as his party's candidate to run for president.

LEADER-Fanilo is one of the few parties besides AREMA that has a solid party organization throughout the country. It enjoys considerable support in Fianarantsoa and Toliara Provinces and among the youth and poor. LEADER-Fanilo is the second-largest party in the National Assembly with 16 seats. The party is committed to democracy, economic liberalism, modernization, and good governance.

Another significant party in the government coalition is the AKFM-Fanavaozana (Renovated Congress Party for the Independence of Madagascar) led by Richard Andriamanjato who began his political career as a radical nationalist before independence, and worked closely with Ratsiraka during the Second Republic before breaking with the president in 1989. His party holds three seats in the National Assembly and two cabinet posts in the government and has traditionally shifted sides to go with the winners. The AKFM-Fanavaozana has little popular support outside its electoral base in the capital among the Merina.

*b. Political Parties Representing the Old Guard Democratic Opposition*

A coalition of political parties and personalities joined forces during the early 1990s to bring down the Second Republic. Intense jockeying for political power quickly led to the disintegration of the governing coalition, near chaos in the National Assembly, and the impeachment of President Zafy. For the most part, the same political leaders and their political parties have reemerged as the core of the parliamentary opposition to the Ratsiraka regime. The main political parties in the opposition are:

- **AVI, the party led by Norbert Ratsirahonana, former Prime Minister under the Zafy regime and interim President after Zafy's impeachment.** Ratsirahonana also served as a civil servant in the judiciary branch under Tsiranana and Ratsiraka. AVI is the largest opposition party in the National Assembly with 14 seats. Its electoral base is concentrated in Antananarivo



Province. Dominated by the well-educated and wealthy Merina elite, AVI has little grassroots support outside the capital.

- **AFFA, the party led by former President Albert Zafy.** AFFA has six seats in the National Assembly. Five of the six AFFA deputies come from the northern province of Antisiranana, Zafy's home base.
- ***Rassemblement pour le Socialisme et la Démocratie (RPSD), led by Evariste Marson and Eugene Voninahitsy.*** The RPSD is the successor of Tsiranana's old social democrat party (PSD). Marson currently presides over the *Cellule de Crise*, a coalition of opposition parties demanding donor support to ensure free and clean presidential elections. Voninahitsy, the Secretary-General of the party, was jailed earlier in the year for passing bad checks. His jailing became somewhat of a *cause célèbre* for the political opposition, which regarded this as an act of political harassment and intimidation. The RPSD has 11 deputies in the National Assembly. Unlike AVI and AFFA, the RPSD has a broader electoral base throughout the country, with deputies in four of the country's six provinces. It is particularly strong in Mahajanga Province, Tsiranana's old fief.
- **MFM, founded in 1972 as a radical Marxist party and led by the venerable Manandafy Rakotonirina who rallied to an ideology advocating liberal and market-oriented economic policies in 1990.** The MFM has three deputies in the National Assembly, two of whom come from Fianarantsoa Province.

Although these parties are ostensibly committed to democratic principles and economic liberalism, several factors weaken their capacity to serve as a credible alternative to the Ratsiraka regime:

- personal rivalries among the leaders of the different parties in competing to become the candidate of a unified political opposition,
- the fact that they are led by an older generation of politicians who have been discredited because of the poor performance of the pre-Ratsiraka Third Republic government,
- weak organizational party structures and low party membership and participation,
- their lack of support in rural areas and their own limited provincial electoral base, and
- the lack of a common program that coherently addresses the country's major issues.

c. *The Old Guard Independents*

The old guard independents are politicians who head miniscule political parties and political associations or run as independent candidates when not winning their old party's nomination for office. The public perceives them primarily as "politicians" who run to gain the benefits and perks of holding public office rather than to serve the public

interest. Having no common ideology, platform, or interests, independents often change their political alliances.

Two parliamentary groups represent independents in the National Assembly. The first is the *Groupe Parlementaire pour la Solidarité* (GPS) with 12 members. The GPS is allied with the government. The other group, the *Groupe Parlementaire des Indépendants* (GPI) sits in the opposition.

*d. The Younger Generation of Political Independents*

The Mayor of Antananarivo, Marc Ravalomanana, is the prototype of a new breed of independent politician. These new independent politicians generally have some of the following characteristics:

- most are well-educated and successful businesspersons,
- they have usually not been affiliated with other political parties,
- they have run for office at the communal level,
- they have managed their cities on a businesslike basis and have improved the quality of public services,
- they have looked to alternative sources, rather than the central government, to fund public services,
- they have been more responsive to public opinion and transparent in local government operations, and
- they enjoy the support of the younger generation of potential voters.

Ravalomanana's announcement of his candidacy for the presidency may transform the political landscape and increase the prospects of defeating Ratsiraka. Although relatively unknown outside of the capital, the mayor has traveled widely throughout the country and developed ties with other dynamic independent mayors like the Mayor of Fort Dauphin who is attempting to run his city along the same model. Ravalomanana enjoys an excellent reputation in the independent national media as a competent and honest reformer and has a large following among the young and better-educated anglophone-oriented business class.

The new breed of independent candidate at the national level is likely to defend the interests of the private sector, lobby for privatization and a reduction in state regulation of the economy, and seek to improve the quality of public goods and services through better management practices.



## **B. Institutional Arenas**

### **1. *The Legal Arena***

#### *a. Constitutional and Substantive Law Sphere*

Madagascar's constitution has undergone significant changes since the downfall of the Second Republic. Drafted by a broad democratic coalition opposed to Ratsiraka, the 1992 constitution instituted a liberal parliamentary regime in which the National Assembly named the prime minister and had the power to censure and bring down governments. After Zafy's victory in the 1993 presidential elections, the 1992 constitution was changed to strengthen the powers of the president who once again was given the power to designate the prime minister. After taking power, Ratsiraka was able to change the constitution again in 1998 to reinforce the powers of the presidency and establish the principle of provincial autonomy. Since independence, the historical record indicates that those in power have changed the constitution to suit their own political purposes and institutional interests.

While the constitution lays down the basic rules of the game for the political system, it is the organic laws<sup>9</sup>, regular laws and various executive decrees, and government regulations that define and determine how and through which concrete structures and processes the general legal principles and rules incarnated in the constitution will be implemented. The substantive law sphere has been woefully inadequate in elaborating laws and decrees to make important institutions created in the constitution functional. For example, although the 1992 constitution called for the creation of a Senate, this institution did not begin to function until 2001. The 1998 constitution established the provinces as autonomous entities, but the government has not yet passed legislation clearly defining just how many resources will be transferred to the provincial governments to make them viable. The future relationships between the provincial governments and local governments within their jurisdiction are not clear because the provincial governments have not yet met to legislate in this area. Regions called for in the 1992 constitution still do not exist.

#### *b. The Judiciary Sphere*

The judiciary sphere in Madagascar remains one of the weakest elements in Madagascar's governance structures. In democratic systems, the judiciary ideally serves as a check on the abuse of power by other branches of government. Its lack of autonomy and subordination to the executive branch has made it difficult for the judiciary in Madagascar to play this crucial role and has fostered a "culture of impunity."

The judiciary is also called upon to ensure justice and application of the rule of law. Gaps and ambiguities in the basic organic laws make it more difficult for the judiciary

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<sup>9</sup> Organic laws are laws that determine the legal framework for the organization of a particular sector. Examples include the laws determining the organization of the autonomous provinces and the electoral code.

to interpret and apply the rule of law. The provision of equal justice for all is undermined by political interference in judicial decisions by powerful government officials and widespread corruption. Poor working conditions, low salaries, limited access to legal texts, and lack of autonomy have been major factors contributing to widespread corruption of judges and other legal officials. Lack of faith in the impartiality of judges and local magistrates also explains the reluctance of the public to use the courts to seek justice and to resolve conflicts.

Despite the bleak picture, some steps have been taken to strengthen the judiciary. Efforts have been made to improve the professionalism and efficiency of judges and officials in the MOJ through the codification and distribution of existing legal texts to judges and other legal officials and through workshops and training sessions designed to upgrade and update their legal knowledge. The Minister of Justice has also launched a campaign to remove corrupt and unethical judges.

While measures to improve the professionalism and working conditions of those working in the judiciary clearly contribute to strengthening the efficiency of the judiciary, much more needs to be done to ensure the independence of the judiciary vis-à-vis the executive branch if the judiciary is to provide justice for all and check abuses of power.

## **2. *Competitive Arenas: The Electoral Sphere***

The electoral process has played and will play a decisive role in determining the direction of democratic development in Madagascar. Elections that are perceived as open, fair, and free from fraud are essential to establishing the legitimacy of those who win the election. Manipulation of election rules since 1996 has permitted the Ratsiraka regime to consolidate its power and take control of most of the nation's political institutions.

The FFKM's public declaration in August 2001, urging the government to conduct honest elections and the public to register, vote, and monitor elections, may constitute a major element in ensuring greater transparency in the electoral process. The FFKM has joined forces with two other major civil society groups, CNOE and *Justice et Paix*, to form a consortium for the observation of elections that is currently training observers throughout the country. The *Cellule de Crise*, a coalition of opposition parties, has also appealed to the donor community to send international observers to monitor the elections, provide computers to computerize voter registration lists and voting results, and pressure the government to organize clean elections.

One of the major issues in the electoral sphere is the importance of correcting voter registration lists and getting voters registered. Accurate voter registration lists depend upon the accuracy of vital statistics collected at the *fokontany* level.

The Malagasy electoral code gives candidates and political parties the right to monitor all phases of the electoral process from the establishment of voter registration lists to the tallying of results. A recent Andrimaso FFKM report noted that political parties rarely participated in the monitoring of election results in the December 2000 provincial elections. Representatives

of CNOE in Fianarantsoa Province estimated that observers were present in only 60 percent of the polling booths during the provincial elections.

One of the main factors hindering the monitoring of election results for the presidential elections is their scheduling for the end of the year during the rainy season when travel and communications are most difficult. This will make monitoring less accessible, increase the potential for fraud, and also give an advantage to AREMA, which has greater access to administration vehicles and resources to get its voters to the polls.

### 3. *Governance Arenas*

#### *a. Executive Branch*

The executive branch in general, and the presidency in particular, has been the dominant branch of government in Madagascar except for a brief period between 1993 and the 1995 constitutional reforms when the National Assembly had the power to designate the prime minister.

Although power remains concentrated in the presidency and is exercised in a highly personal manner, Ratsiraka is less directly involved in the management of the country's affairs than he was under the Second Republic. His poor health and frequent visits abroad have led him to rely more on his prime minister and vice prime minister to run the day-to-day affairs of government.

Three important poles of power operate within the executive:

- **A pole centered on the president and a small circle of loyal friends and followers who maintained contact with him when he fell from power.** Ratsiraka has placed his confidants in key positions within the Office of the Presidency, the Interior and Public Security Ministries, parastatal agencies, and economic policy bodies. The management style is highly personal and secretive.
- **A pole centered on Prime Minister Tanteley Andrianarivo, a technocrat who also controls the Ministry of Economy and Finance.** The Prime Minister runs the day-to-day affairs of the government and is considered to be a potential candidate to succeed Ratsiraka. His handling of macroeconomic policy has won high marks from the Bretton Woods institutions and enabled the country to reschedule its foreign debt and receive Heavily Indebted Poor Countries (HIPC) relief.
- **A pole centered around Pierrot Rajaonarivelo, the Vice Prime Minister in Charge of Budget and Development of Autonomous Provinces and also Secretary-General of AREMA.** Rajaonarivelo is also a candidate to succeed Ratsiraka. He is using his control over the national budget and supervision of provincial institutions to reinforce his political base within AREMA and to position himself as the logical candidate to succeed the president.

Neither Andrianarivo nor Rajaonarivelo are candidates in the December 2001 elections.

Despite donor pressure, the government has dragged its feet in the privatization of key parastatal institutions like Air Madagascar and Solima, deregulation of the economy, and reduction of the number of resources deemed to be “strategic” because of the reluctance of the regime to surrender its control over key sectors of the economy.

Although the current executive branch is not above using harassment of political opponents and critics, its human rights record is much better than under the Second Republic when the government used the Secret Service to physically liquidate or imprison political opponents and critics of the regime, and goon squads to intimidate the population.

An important characteristic of the executive under the current Ratsiraka regime has been the politicization of the territorial administration and the intervention of heads of technical services to promote AREMA interests. Heads of school districts, for example, have used intimidation tactics and transfers to discourage schoolteachers from publicly supporting opposition parties and threatened to close down schools if the local population voted for the opposition.

Relationships between those heading ministries and national services and the rank-and-file government employees have not been good because of authoritarian management styles which discourage dialogue and participation in decision-making processes. Civil servant trade unions also oppose clauses in the new Civil Service Code drafted by the government, that gives the government the power to stop paying striking civil servants.

The current behavior of the executive in some of the areas cited above are obstacles blocking the road to democratic development.

*b. National Assembly and Senate*

Historically, the National Assembly has been a weak national institution except for a brief period during the mid-1990s when the National Assembly had the power to designate the prime minister and used its power of impeachment in 1996 to bring down a sitting president.

Although the government currently has a sound majority in the National Assembly, the National Assembly remains a potentially problematic institution for the Ratsiraka regime for several reasons:

- the lack of a strong mandate for AREMA in the 1998 legislative elections in which the party won only 25 percent of the total vote;
- the historical precedent under the Second Republic when political leaders within AREMA and parties aligned with the regime deserted the ruling coalition to join forces with the political opposition; and

- the political opportunism and weak commitment to the Ratsiraka regime on the part of LEADER-Fanilo and the AFKM/F, who are now members of the government coalition.

The National Assembly constitutes the only major national institution in which AREMA has shown some semblance of willingness to share power with the opposition, even though opposition parties have used the National Assembly as a platform for criticizing the government. Opposition parties thus hold two of the six vice presidencies in the bureau of the National Assembly and preside over two of the twelve parliamentary commissions.

The effectiveness of the National Assembly as a counterweight to overwhelming executive dominance has been limited by:

- the government's clear-cut initiative and control over the drafting of legislation and unwillingness of the government to consult with legislators in preparing legislation,
- the absence of a strong support staff and lack of sufficient information to enable the legislators to study proposed legislation introduced by the government and to introduce their own legislation,
- the relatively short period of parliamentary sessions and the nonfunctioning of legislative committees when the National Assembly is not in session, and
- the high degree of absenteeism on the part of deputies which undermines the credibility of the National Assembly.

The 1992 constitution called for the creation of the Senate as a second legislative body whose membership would be chosen by local government representatives (2/3) and the president (1/3).<sup>10</sup> The Senate represents the interests of the autonomous provinces and must be consulted by the government on social and economic issues. The Senate has the power to amend and reject legislation passed by the National Assembly. All amendments passed by the National Assembly and Senate must go back to the government that has the power to accept or reject them. However, once the National Assembly approves a bill in second reading, the Senate can no longer amend it or block its passage. The National Assembly thus remains the dominant national legislative body.

The existence of the Senate and its current predominant AREMA majority has the following consequences:

- The time needed to push through legislation is extended since proposed bills must go through both parliamentary bodies.

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<sup>10</sup> The new Senate's structure, election rules, and functions closely resemble those of the Senate created by the 1959 constitution.

- More power is given to the less populated provinces because of the under-representation of Antananarivo in the Senate, where each province has ten senators.
- AREMA is provided with a mechanism to delay legislation in the event that the government should lose its majority in the National Assembly.

*c. Local Government*

Originating during the late colonial period, the communes are the only local representative government institutions that have been historically operational. Today, they remain the most vital units of local government and constitute an important experiment in grassroots democracy, especially in the urban communes where independent politicians, working closely with and enjoying the support of civil society, are mobilizing local human and financial resources to improve public services and promote economic development. In cities visited by the team like Fianarantsoa, Mahajanga, and Fort Dauphin, dynamic mayors are consulting with a wide variety of CSOs in their efforts to improve public services.

The situation is more problematic in the rural communes where widespread and worsening poverty conditions and poor transportation and communications infrastructure hinder efforts to improve services. Outside of AREMA and LEADER-Fanilo, political parties are not very active in the rural communes. Harassment of party leaders by the territorial administration, the lack of interest and involvement in national and local politics, and the struggle for survival discourage democratic politics. However, in rural areas where autonomous peasant associations have emerged, there is a growing interest in gaining more information about the operation of local government.

Regions still do not exist as formal local government entities. Hence there are no regional government councils. However, in certain areas of the country, several communes have collaborated and worked together to promote the economic development of their region, improve transportation networks, and plan programs designed to protect the environment. Regions seem to constitute the optimal size for economic and environmental planning in the countryside. Rural communes are too small in population and lack the human and financial resources needed to do comprehensive economic and environmental planning while the provinces are too large and communications within the provinces too poor at this time to permit extensive local participation in planning.

Autonomous provincial government institutions dominated by AREMA and governors close to the Ratsiraka regime have recently been put in place. Although ostensibly autonomous, the provincial councils seem to be subject to central government influence and tutelage.<sup>11</sup> Although formally elected by the provincial councilors, the president handpicked most governors. Governors have to be ready to go to Antananarivo at the

<sup>11</sup> Tutelage refers to close administrative supervision and oversight of local government institutions and has its roots in the highly centralized French administrative tradition known as the “*tutelle*.”

drop of a hat when summoned by the Vice Prime Minister In Charge of the Development of the Autonomous Provinces. Provincial senators and deputies also seem to exercise considerable influence within the provincial councils even though they have only a consultative role to play and do not have the right to vote.

The future of the provincial governments as local government units remains unclear for several reasons:

- their current domination by AREMA and the prospects that their status and powers might be downgraded in the event of a victory by the opposition in the presidential elections;
- the lack of financial and human resources to carry out the autonomous provincial governments' functions;
- the uncertainty as to which and how much financial and human resources will be transferred from the central government to the provincial governments;
- the future relationships between the provincial governments and other local government units within their jurisdiction, especially the degree of tutelage the provincial governments will exercise over communal governments;
- the extent to which the existence of provincial governments will foster secessionist movements; and
- the impact that a victory by the Merina Mayor of Antananarivo might have on future relationships between the state and the provinces.

Given this uncertainty, urban and rural communes are likely to remain the main focal point of local government activities over the next few years.

#### **4. *Civil Society***

Although civil society remains relatively weak, considerable progress has been made in this area in the past decade. Civil society incorporates a wide range of associations and organizations with different functions and interests.

##### *a. Religious Institutions*

Madagascar's Christian churches are the most organized and influential CSOs in the country. The Protestant Reform, Catholic, Lutheran, and Anglican churches are the four major Christian churches. Islam is the prevalent religion within the Indo-Pakistani community.

Historically, the churches have been active in the political life of the country since the beginning of missionary activities during the nineteenth century. The Christian churches intervened to support democratic forces during the political crisis that brought down the Second Republic. The FFKM, a coalition of the country's four major Christian churches, sharply criticized the Zafy government and publicly recommended that Zafy



be impeached. In 1998, the FFKM also hinted that the public should reject the constitutional referendum proposed by Ratsiraka.

Today the FFKM and church groups like the Catholic-based *Justice et Paix* promote democracy and good governance practices through anti-corruption campaigns, civic education campaigns to turn out the vote, and participation in monitoring the electoral process. Church-affiliated NGOs have been active in promoting local economic development activities. For example, Lutheran-affiliated NGOs have several development NGOs in the South. Madagascar also has a long tradition of Christian trade unions going back to the colonial period, the most important being the Christian Federation of Malagasy Trade Unions (SEKRIMA).

Despite the great influence of the churches, the number of clergy in relationship to the number of congregants is quite small. For example, the Catholic Church, the largest in the country, has little more than 600 priests of whom less than two-thirds are Malagasy to service four million Catholics, while the Protestant Reformed Church, the second largest church in the country, has only 900 pastors. Church influence is greater in the urban areas while traditional religious customs and practices remain much stronger in the countryside.

Although growing, Islam as a religious movement has not yet emerged as a significant force in Malagasy national politics. Muslims in the government and National Assembly serve primarily as representatives of national political parties and local constituencies rather than the Muslim community. Muslim associations and religious groups, on the other hand, tend to service the Muslim community.

#### *b. Trade Unions*

Trade unions have been historically weak in Madagascar and often affiliated with political parties. Trade union membership comprises only five to ten percent of the work force. The 1998 establishment of the *Confédération des Travailleurs Malgaches* (CTM) as an umbrella organization for 14 of the country's major trade union federations, as well as efforts to transform trade unions into autonomous associations primarily concerned with defending the rights of their members rather than serving as an appendage of a political party, may spark a revival of trade union activity.

In the past, demonstrations and strikes led by trade unionists contributed to the downfall of both the First and Second Republics. In recent years, trade unions have not been very militant. However, the Ratsiraka government's unwillingness to engage in dialogue with trade unions has recently been a catalyst for increased trade union militancy. This can be seen in several areas:

- the growing militancy of the *Syndicat des Enseignants et Chercheurs de l'Enseignement Supérieur* (SECES), the trade union representing university professors, which has recently conducted strikes in the capital and in several



provinces to defend the right of university professors to elect rectors and to seek better material benefits;

- civil servant trade union opposition to the new Civil Service Code elaborated by the government, and concerns about eroding purchasing power due to inflation and IMF conditionality, which puts a lid on raising government salaries; and
- joint opposition by trade unions and employers' associations to the government's efforts to unilaterally increase its representation on tripartite institutions mediating labor issues.

For its part, the government has denounced militancy on the part of trade unions as politically motivated and instigated by the opposition.

Despite recent positive developments, trade unions still remain highly fragmented, organizationally and financially weak, concentrated primarily in the capital, and have few linkages between national-level and local-level trade union.

### *c. NGOs and Cooperatives*

Development NGOs have proliferated since the late 1980s. The main national-level umbrella group for Malagasy NGOs is the *Conseil Malgache des ONG pour le Développement et Environnement* (COMODE). Many development NGOs provide training for grassroots associations, focus on specific developmental activities, and provide needed services like medical care. Most are heavily dependent upon external financing by donors and international NGOs and would not be economically viable without this external support. NGO priorities and activities often revolve around those of the donors. For example, many Malagasy NGOs work on environmental issues because of strong donor interest in preserving Madagascar's unique biodiversity.

The 1996 law laying down the rules governing the creation and functioning of national NGOs defines NGOs as nonprofit humanitarian developmental organizations. NGOs currently have no legal status because the law says that regional authorities must certify local NGOs. Since regional administrative entities do not exist, there are no regional authorities to certify local NGOs as legal entities. Notwithstanding their lack of formal legal recognition, NGOs have been able to function relatively freely.

Although NGOs are by law supposed to remain politically neutral and nonpartisan, politicians and political leaders have often set up their own NGOs in order to have access to donor funding, to provide services for their constituencies, and further their own personal and party interests.

Despite government efforts to promote them, cooperatives have not reemerged as important institutions. The cooperative movement in Madagascar began during the mid-1960s to organize farmers to produce and market their cash crops. Under the Second Republic, the regime created socialist cooperatives that were clearly subordinated to and exploited by the state. The sharp decline in peasant living standards and the coercive

nature of the organization of socialist cooperatives contributed to discredit the cooperative movement.

State-initiated cooperative movements, particularly those in francophone Africa, have not been very successful. Rural cooperatives have worked best when initiated by individuals voluntarily banding together to pool resources to obtain inputs more cheaply and improve their bargaining position in market transactions. In principle, cooperatives are supposed to be modern economic enterprises based on democratic principles in which members share profits. The fact that most Malagasy farmers produce little of their total production for the market make it unlikely for them to join modern rural cooperatives designed primarily for commercial farmers.

*d. Micro-Savings and Loan Associations and Peasant Associations*

Micro-savings and loan associations and peasant associations have spread rapidly in the past few years. Unlike many other civil society associations, these tend to directly serve and involve the participation of the urban and rural poor. Much of the success of these organizations depends upon training in functional literacy and basic management skills.

The September 4, 1996 law establishing the conditions for legal recognition of savings and loans institutions as nonprofit associations also applies to the small-scale micro-savings and loan associations that have sprung up throughout the country. The *Association Professionnelle des Institutions Financières Mutualistes* (APIFM) is an umbrella group that encompasses 15 federations and unions of savings and loan associations. Another important institution providing Malagasy with opportunities to save is the *Caisse d'Epargne de Madagascar* (CEM), a national-level savings bank that in 2000 had more than 570,000 clients, of which 48 percent were women.

Member associations are organized along democratic principles and have complete autonomy in determining the extent of their orientation towards credit or loan activities. Members generally use loans to meet immediate family needs or for capital to finance small-scale enterprises.

In the rural areas, rural producers prefer to join peasant associations rather than cooperatives. Peasant associations tend to be multifunctional in activities, dominated by local notables, and organized in units smaller than the village. Individual peasant associations have regrouped into larger federations. However, peasant federations remain small and localized. Unlike many other African countries, Madagascar has no major national peasant federation.

The institutional capacity of most peasant associations is weak because of high illiteracy rates, lack of management skills, and limited capacity to mobilize financial resources. Team meetings with peasant association leaders indicated a strong desire for more training in production techniques and information about local government and laws directly affecting their interests — e.g., land tenure, forestry, and environmental codes. International NGOs like PACT and national NGOs like FFF Malagasy Mahomby have

provided training in participatory management, participatory planning techniques, and developmental activities to peasant associations and promoted peasant federations. Most local peasant associations still tend to be dominated by local notables and heads of families, with women and youth playing a subordinate role. Peasant associations and federations are generally disconnected from politics and not involved in advocacy activities.

*e. Urban Neighborhood Associations and Urban-Based Advocacy Groups*

One of the most promising developments in civil society has been the emergence of neighborhood associations and urban-based advocacy groups in the capital and in major provincial towns like Fianarantsoa, Mahajanga, and Fort Dauphin.

Neighborhood associations have engaged in dialogue with the mayors of urban communes to express their concerns and priorities on issues such as water distribution, tax rates, and municipal services and participated in municipal planning. In some towns, federations of neighborhood associations have been created to increase the bargaining power of neighborhood associations in negotiating with the municipality. For example, in Mahajanga, 17 neighborhood associations banded together to form a federation that negotiated changes in water charges with the municipality after the mayor unilaterally instituted instructions to charge a monthly fee of 40,000 Malagasy francs for the use of public neighborhood water fountains.

Urban-based advocacy groups have also appeared in the towns to defend the interests of their members. In Fianarantsoa, for example, transporters have set up a syndicate (*Association des Transporteurs de Fianarantsoa* [MMDF]) to defend the interests of local truckers and taxi drivers. The leadership of the MMDF, headed by a woman, seems to be representative of the grassroots membership. Other advocacy groups like the *Association des Détenteurs d'Intérêt de Ligne Ferroviaire Côte-Est* (ADIFCE) have been organized at the inter-communal level to lobby for improvements in the railroad service linking Fianarantsoa to the coast. The leadership of ADIFCE, headed by Fianarantsoa's deputy mayor, seems to be recruited primarily from inhabitants of the capital. Poor transportation and communication networks linking provincial capitals to their hinterlands discourage effective participation by representatives of members outside the capital.

*f. Women in Politics and Civil Society*

Despite the fact that women used to govern in precolonial Madagascar, women today are vastly underrepresented in positions of national political leadership. Women hold only four of the 30 government ministries and only eight percent of the seats in the National Assembly. Few women hold political office at the local government level. Only three women can be found among the 45 urban communal mayors.

The extent of underrepresentation of women in political office is surprising since the gender gap in literacy and other areas is much smaller than in many other African

countries. For example, 49.4 percent of Malagasy women are literate compared to 53.2 percent of Malagasy men, a spread of less than four percent.<sup>12</sup> Women hold 31.4 percent of the higher managerial positions in government and head a third of formal sector business firms and more than 50 percent of informal sector enterprises.

Madagascar has 2000 women's associations in the country and two major National Federations — the DRV and the *Confédération des Associations des Femmes et Développement* (CAFED). Women head many urban CSOs such as TI and CNOE. A woman also heads *Midi Madagasikara*, one of the country's leading daily newspapers. Women are also prominent in leadership positions of the provincial branches of national CSOs and in locally based CSOs.

Because of the small size of the political class in Madagascar, many women holding major national civil society leadership positions are also allied with the male political leadership through blood ties and marriage. This has contributed to a major disconnect between national political and civil society leaders and the grassroots, particularly in the rural areas.

The participation of women in Malagasy civil society reflect some of the following patterns:

- the recruitment of female leaders of major national CSOs from the upper classes of society in general, and in Antananarivo, from the upper classes of Merina society in particular;
- the relatively large number of women holding important managerial posts in the modern private sector;
- the limited ties and lack of communication between the well-educated leadership of national women's groups like DRV and CAFED and provincial branches of women's organizations; and
- the dynamism of the women participating in grassroots associations.

g. *Youth Associations*

Unlike many other African countries, Malagasy political parties have not made major efforts to recruit the support of young people or to create party youth wings as training grounds for future party leaders. Young people, who can vote at 18, are also the least likely to vote in elections.<sup>13</sup>

In Madagascar, young people have not participated actively in politics or in civic and neighborhood associations. Instead, they have been most attracted to sports and music events. Even in the universities, students seem to show little interest in politics and tend

<sup>12</sup> UNDP, *Human Development Report for Madagascar, 2000*, p. 4.

<sup>13</sup> In the 1996 presidential election, a third of those in the 18-24 age group and 31.2 percent of those in the 18-29 age group abstained while only 13.2 percent of those aged 50-59 abstained. Roubaud, *Identités et Transition Démocratique: L'Exception Malgache?* pp.66-67.

to be organized by discipline and are concerned more with material conditions and academic requirements than in political issues. However, student support of recent faculty strikes to protect the autonomy of university governance may point to a reawakening of student interest in political issues. The future of democratic development will depend, to a large extent, upon getting young people more involved in participating in democratic politics and national decision-making.

#### *h. The Private Sector*

One of the major political positive developments in recent years has been the emergence of modernizing entrepreneurs and private sector organizations that have become strong advocates of economic liberalization and private sector autonomy. Some of the country's leading independent politicians and reformers have been recruited from this class.

Federations of private sector employer associations like the *Groupement des Entreprises de Madagascar* (GEM), with a membership representing 670 major companies; the *Syndicat des Industries de Madagascar* (SIM); and the *Groupement des Entreprises Franches et Parténaires* (GEFP) — the organization representing most of the firms operating out of the free industrial zone — have replaced the quasi-governmental chambers of commerce as the authentic voice of the private sector.

The membership of several business associations founded during the 1990s consists of the younger and generally better educated generation of entrepreneurs who have been trained in modern management techniques. These associations include *Master-Managers et Stratèges Reunis*, the *Jeune Patronat de Madagascar* (JPM), the *Association des Diplômés MBA* (Master in Business Administration), and the AFGRAD Atlas Alumni Association (AAAA). Although individual members of these associations have aligned themselves with different political parties and camps, they share a common commitment to modern business management methods.

The “new” entrepreneurial class has also spawned a new breed of politicians with national aspirations like Herizo Razafimahaleo, the head of LEADER-Fanilo, Marc Ravalomanana, mayor of Antananarivo, and Patrick Rajaonary, former president of SIM. Other businesspersons have emerged as independent political leaders in the larger towns outside the capital, like Guy Georges Ho Lam Andriantsoa, the Mayor of Fianarantsoa and George Mamy Randrianiaina, Mayor of Fort Dauphin.

Founded in 1996, the *Comité de Réflexion sur la Compétitivité* (CRC) reflects one of the few institutions that brings together the state and the private sector to discuss and debate the kinds of economic policies needed to make the private sector more competitive. The state has agreed to consult with the CRC on all questions affecting the private sector. The CRC identified four major areas of reform:

- customs collections, especially cessation of special exonerations to certain companies favored by the government;

- taxation, especially the need to end special exonerations for certain firms favored by the government and to formulate tax policies that will encourage the informal sector to pay its fair share in taxes;
- greater transparency in administrative decisions affecting the private sector — e.g., bidding for state contracts, allocation of licenses to exploit such areas as mining, fishing, and forestry; and
- improvements in the legal system to ensure respect of contracts and fair resolution of disputes between parties in the private sector.

The CRC has thus far not lived up to expectations in its role as a forum for government-private sector dialogue on economic issues. Government heavy-handedness and the non-involvement of high-ranking government officials capable of influencing national economic policy decision-making have dampened the enthusiasm of the private sector for the CRC.

An older generation of Malagasy businesspersons, who made their fortunes under the First and Second Republics, thanks to their personal connections with those in power, constitute another important segment of the private sector. Many members of the Indo-Pakistani, Comoran, and Chinese business communities that control important sectors of the economy have preferred to deal with the government through informal personal networks rather than through the larger formal private sector federations.

Businesspersons with close ties to the Ratsiraka regime are least likely to support policies advocating greater transparency in the awarding of public contracts and licenses. Critics have accused them of receiving preferential treatment and using bribery to get tax and customs exonerations.

In terms of democratic development, the current pattern of modernization of the private sector — though promising — has several defects:

- the reluctance of the modernizers to invest outside the capital and major provincial centers;
- the focus of the modernizers on improving the economic climate for exports, industry, and telecommunications and their lack of interest in modernizing the increasingly impoverished traditional rural economy, which contains most of the country's population; and
- the weak organization of private sector enterprises outside the national capital and larger provincial towns.

## 5. *The Media and the Free Flow of Information*

Freedom of the press reached its low point during the 1970s and 1980s under the Second Republic. During this period, the press had to submit to pre- and post-publication censorship while the state controlled the major publishing companies, and monopolized radio and television broadcasting.



In 1989 the regime ended press censorship, and in 1990 the National Assembly formally reestablished the right to a free press and ended the state's monopoly over radio and television. Since then, Madagascar's independent media has become one of the major institutions promoting democratic development and good governance practices in Madagascar.

Although state-run media today no longer monopolize the flow of information, state TV and radio still promote the image of the president and government as generous providers of public goods and services while tending to exclude coverage of critics and the political opposition. Because of its failure to provide accurate information and full coverage of events, the state media has lost much of its audience.

Despite the liberalization of the media, full press, TV, and radio coverage is largely limited to Antananarivo and the provincial capitals. Requests by independent radio and television broadcasters to establish national networks have been turned down by the government. In the provincial capitals, distribution of the daily national newspapers is limited and newspapers often arrive a day late. The relatively high price of newspapers severely limits the number of readers able to afford to buy newspapers. Even the major dailies rarely print more than 30,000 to 40,000 copies. Given the greater poverty outside the national capital, regional newspapers are almost nonexistent.

Television broadcasting is concentrated primarily in the capital and in major urban centers. Approximately one-third of Malagasy households has a television set. Radio is the media that reaches the most people. The country has an estimated two million radios and 150 radio stations. Urban dwellers and most rural dwellers have access to radio even if they do not own one.

Several types of private radio stations exist:

- those owned by church organizations — e.g., the Catholic-based Don Bosco radio station and radio stations run by evangelical churches;
- those started and owned by politicians, such as the radio and TV station owned by the mayors of Fianarantsoa and Mahajanga, and the radio stations owned by a deputy and senator in Fort Dauphine;
- community radio stations, often financed with donor funds; and
- commercial radio stations owned by businesspersons without political aspirations.

One of the main factors hindering the development and expansion of private radio stations is the inability of most local radio stations to turn a profit. Most local radio stations, especially those in the poorer regions, are not profitable because there is not enough business activity to generate the advertising revenues needed to cover their costs and make a profit. Religious radio stations are generally supported and subsidized by the churches. In Fort Dauphin, a small and impoverished provincial town, radio stations owned by the politicians have consistently operated at a loss since the start of their operations. Private advertising and public announcements have not been large enough to make them profitable enterprises. Community



radios begun with financing from donors often flounder when donor financing ends. The most profitable TV and radio stations are located in Antananarivo and the larger provincial capitals.

Because radio is so essential to the transmission of information to the people, especially in rural areas, ways must be found to ensure their sustainability and independence — e.g., adapting low cost, affordable technologies to start and maintain radio stations; mobilizing local community support to contribute to the operation of community radio stations; promoting economic development that will raise general income levels and stimulate more advertising; etc.

In the past few years, efforts to organize and improve the professionalism of journalists have increased. The *Ordre des Journalistes* that certifies professional journalists currently has 476 members and is growing steadily. In 2000 it elaborated an ethics code for the profession. The *Association Libre des Journalistes de Madagascar* (ALJM), a national umbrella group, has 25 affiliated journalist associations, including a women's journalist association. The university has also initiated a professional training program for journalists. Despite relatively low status and incomes, journalists in the provinces have expressed a strong desire to upgrade their professional skills and appreciation for short-term training provided by USAID and other donors.

The structure of the media, and the organization of the profession of journalism, have several shortcomings:

- the concentration of the media and full access to media coverage in the national capital;
- the concentration of efforts to professionalize journalists in the national capital;
- the refusal of the state to give permission to independent radio and television to create national networks, thus restricting access to information in many rural areas;
- the paucity of resources available to the local media and the unprofitability of local media, especially in the rural areas;
- the low professional level of local journalists due to the lack of adequate training and low salaries that make journalism a part-time profession;
- the difficulty of many journalists to maintain independence and objectivity in the face of pressures by the state and their private employers to tone down criticism of the government or interests represented by the owners; and
- the limited collaboration and communication between national-level journalists based in Antananarivo and local journalists.

Transparency and dissemination of accurate information concerning government operations and analyses of issues are also important elements needed for an informed public opinion. One interesting experiment has been the establishment of an information and documentation center in Fianarantsoa (*Centre d'Echanges, de Documentation, et d'Information Inter-Institutionnel* [CEDII]) that shares information and data generated by state and local government and planning agencies, universities, civil society, and the private sector which are then used as the basis for discussing and debating public policies to find solutions to specific problems of

concern to the participants. The exchange of information has also encouraged the development of a dialogue between CSOs and local government and central government agencies.

Media and information centers can be used to provide information necessary for an informed public citizenry. One of the main gaps that should be addressed is the lack of access to better information and civic educational materials in the rural areas.

One of the main findings of the DG assessment team, based on extensive interviews outside the capital, is the strong public interest in getting more and better information about the operation of local government, government policies directly affecting their livelihoods, and techniques to improve the quality of life and personal and family incomes.

### **C. Forces Supporting and Resisting Reform and Actors to Be Assisted**

Analysis of the state of democracy in Madagascar in previous sections has identified the various forces supporting political and economic reform:

These forces include:

- reformist elements both inside the governing coalition and within opposition political parties;
- the major Christian churches;
- civic and human rights associations like CNOE, UNA-CIVILE, and the Human Rights Watchdog group;
- independent mayors and local government-civil society coalitions striving for improved management and delivery of public goods and services, particularly at the communal level;
- independent media serving as watchdogs over government behavior and disseminating information needed to inform the public;
- large segments of the private sector comprised of modernizing entrepreneurs advocating economic reforms and liberalization of the economy; and
- donor programs to strengthen democratic governance and CSOs.

Forces resisting reform include:

- hard-liners in power who manipulate election rules and use the resources of the state to intimidate opponents and ensure victory in elections and the older generation of elites in political parties, trade unions, and the private sector that are comfortable with doing business as usual; and
- members of the business community who benefit from preferential treatment from the state in obtaining public contracts and licenses to exploit Madagascar's natural resources, thanks to their personal relationships with those in power.

Other forces that work against democratic reform include:

- public disillusionment with politicians and high abstention rates in elections, which makes it easier for the regime to maintain its power;
- the marginalization, isolation, and poverty of the rural masses, which excludes them from participating in the political process and makes them vulnerable to intimidation and vote-buying tactics of those in power;
- the general public's lack of knowledge and understanding of their rights and obligations as citizens;
- the timidity of the democratic political opposition in vigorously combating intimidation tactics used by the regime; and
- the small size and relative homogeneity of Madagascar's political and economic elite and their lack of communications with and limited interest in improving the plight of the poor.

### **III. Options for a DG Strategy for FY 2003-2008**

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#### **A. Strategic Assumptions**

Drawing from the analyses in Sections I and II of this report, and on the Mission's experience to date, the team's overriding conclusion is that the Mission should carefully consider increasing its focus on democracy and good governance in the new ISP. The great disconnect between the ruling elite and the masses, the pervasiveness of government corruption, and USAID's limited resources suggest that an increased focus on DG is necessary to protect the Mission's investments in technical sectors (EG, HPN, AGR, ENV, Title II, disaster) and to sustain results over time.

The preceding sections indicate that USAID should consider a strategy that focuses DG and other sector resources on the following areas:

- issues of inclusion that target the rural poor, women, youth, and the illiterate population;
- strengthening civil society to contribute to public policymaking and implementation through greater participation in the decision-making process and oversight;
- fostering better governance and rule of law;
- promoting effective decentralization; and
- facilitating the free flow of information and strong independent media.

The main strategic assumptions that have guided the assessment team's presentation of options include the following:

- The Mission will have the most direct and durable development impact by working primarily through civil society rather than through government.
- In the area of decentralization, the communal level will continue to be the most fertile environment for civil society-government partnerships and for synergies among USAID's sectors of interest.
- Increased information and communications are crucial to strengthening civil society, good governance, anti-corruption campaigns, local government, and achievement of other USAID sectoral goals.
- EG should continue to be an important sector (but not specifically part of a separate DG/Special Objective [SPO]) and more focused on reducing poverty at the local level.

#### **B. Operating Assumptions**

- Funding for DG will remain relatively modest and consistent with historical levels.
- USAID will continue to work in EG, HPN, ENV, and AGR at current or increased levels during the life of the strategy.

- Focused and active support to strengthen the underpinnings of democracy will be given to issue-driven groups engaged in activities essential to a vital democratic society — e.g., media, elections, watch dog and advocacy, human rights, women’s rights, and trade unions — and demographic groups such as the rural poor, women, youth, and the illiterate population.
- All new EG, HPN, ENV, AGR efforts will continue to include civil society deepening and strengthening and involve groups that are either demographically defined or issue-based.
- USAID will continue to be involved at both the national and local levels.
- The strategy will need to incorporate continuing attention to disaster preparedness, mitigation, monitoring, and response, particularly in cyclone vulnerable communities.
- Overall mission resources will include Development Assistance (DA), Child Survival and Disease (CSD), and Title II. Flexibility to respond to opportunities for the Economic Support Fund (ESF), Education for Development and Democracy Initiative (EDDI), and other special accounts will be included in the strategy.
- Strong coordination with the US Embassy, particularly through the programs supported by the Public Affairs Section, will continue and be strengthened.

USAID should also consider options based on the following operational assumptions concerning other donor activity:

- Because of the World Bank and European Union’s (EU’s) heavy involvement in rule of law issues at the national level, USAID’s work with rule of law and administration of justice might focus on nongovernmental alternative dispute resolution (ADR) and could complement work by the World Bank and EU with the government. At subnational levels, USAID should undertake some pilot efforts in conflict mediation at the communal or subcommunal level.
- Since the World Bank and the EU will adequately address decentralized budgeting and accounting issues and judicial reform by working through the government, USAID should focus more on working with civil society watchdog groups to monitor government’s achievements as complementary to these efforts.
- The World Bank will continue to facilitate the input of the large-scale private sector into the policy and PRSP process through support to the CRC and take the lead in fostering private investment, privatization, and macroeconomic reforms. While USAID will still be involved in national policy dialogue with the government, it should also put more emphasis on fostering economic growth and poverty reduction at subnational levels.
- The World Bank and EU will continue to work primarily at the national level. Other bilateral donors will focus on specific geographic areas. USAID should continue to consult and collaborate with these other bilateral donors to avoid duplication in the same geographic areas and ensure complementarity of efforts. Given its past experiences, USAID’s comparative advantage seems to lie in working at the communal

level and in building upon its achievements in focus provinces like Fianarantsoa and Mahajanga.

- United Nations (UN) agencies will continue to work on improving the collection of vital statistics and organization of the civil registry. USAID and/or the Embassy could collaborate with the UN and other donors to promote integration of the civil registry with voter registration lists to decrease the potential for electoral fraud.

### **C. Options for the ISP**

This section presents DG options for interventions in the priority sectors analyzed in Sections I and II, within four major clusters of activities:

- good governance, rule of law, and administration of justice;
- decentralization;
- civil society; and
- free flow of information and media.

The options presented for potential intervention will also be accompanied by analysis pointing to the potential synergies among different DG sectors and synergies between DG sectors and other sectors in the mission.<sup>14</sup>

#### ***1. Good Governance, Rule of Law, and Administration of Justice***

With corruption identified as one of the major governance problems, the new ISP can address this issue in the following ways:

- Support watchdog CSOs specifically engaged in anti-corruption activities such as TI, CNOE, and UNA-CIVILE. This would include efforts to channel more funding and support to branches of these organizations at the subnational level.
- Finance multifaceted anti-corruption civic education campaigns to change citizen knowledge, attitudes, and behavior towards corruption. These campaigns would stress the economic costs of corruption to the nation and ways of controlling corruption and fraud in specific areas — e.g., allocation of licenses to exploit natural resources, land registration, voter registration, and electoral processes, etc.
- Train journalists in investigative reporting techniques and methodologies, especially at the provincial level.
- Work with local government officials and civil society to increase transparency and accountability in local government operations.
- Provide limited selective support to evaluate national legislative bodies to enhance their institutional capacity to initiate legislation and evaluate bills introduced by the executive branch.

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<sup>14</sup> A detailed discussion of USAID program synergies can be found in Appendix C.

The stress on civil society and local government officials in fighting corruption can be justified by the fact that the World Bank and EU are already addressing these issues in working with the national government. The World Bank is also exploring the possibility of financing a National Observatory on Corruption.

The current CSP has made considerable contributions to Madagascar's rule of law and administration of justice in helping to draft an anti-corruption law, providing assistance in developing an ethics code for judges, financing the codification and publication of Malagasy laws, and supporting the introduction of ADR mechanisms. The new ISP could continue this work with greater emphasis on interventions at the subnational level in some of the following areas:

- Disseminate and explain key legal texts and terms in areas most relevant to targeted groups in such areas as local government organization, land registration and land tenure laws, inheritance and divorce laws, voting procedures, and certification processes for diverse forms of voluntary organizations.
- Provide assistance and support to existing groups and the establishment of paralegal groups to help citizens, especially illiterate citizens, to register to vote, get a divorce, register land holdings, etc.
- Establish ADR mechanisms at the communal level to settle conflicts between local government, the private sector, diverse community groups, and citizens.
- Work with targeted peasant associations and federations to explore the role of *dina*-based village institutions in resolving land conflicts, management of community resources, and meting out justice; ways to introduce due process and standard judicial procedures in *dina* courts; and ways to promote greater participation of women and youth in community decision-making processes.

The use of technical issues as a “point of entry” on dialogue to foster better governance, rule of law, and administration of justice has been and should continue to be a key theme of USAID's strategy in Madagascar across all sector programs. For example, in response to perceived corruption in government management of natural resource exploitation, USAID lobbied to assure that HIPC conditions included commitment to improve oversight and management of fishing, logging, and mining exploitation at the national and provincial levels. USAID's support to the National Environmental Action Plan has led to the promulgation of a number of laws and regulations essential to rational natural resource management. HPN has worked with private employers to see that labor laws ensuring the right of women workers to take the time needed to breastfeed their babies in the workplace are enforced. In the future, HPN plans to focus various legal and governance issues such as laws permitting private pharmacies to sell generic drugs, changing media laws to allow for advertising of contraceptives other than condoms, establishing accreditation boards for NGOs and private clinics involved in health activities, and promoting transparency in private and public health care institutions.

In the new ISP, the AG and ENV technical sectors should pay relatively greater attention to such issues as mediating conflicts and implementing rules related to land tenure; security of



property; and use of forestry, logging, and mineral resources at the provincial and communal levels. The French and Swiss have been working with peasant associations on land titling in Antananarivo, Fianarantsoa, and Toliara Provinces.

## 2. *Decentralization*

The DG analysis in Sections I and II of the report has identified communal-level institutions as the only functioning local government bodies. The provincial councils have just been put in place. Their powers, and the extent of human and financial resources that will be made available, remain unclear and heavily dependent on the outcome of the upcoming presidential elections. Prudence and experience suggest that USAID should focus the bulk of its DG efforts to enhance effective decentralization at the communal level in the new ISP. The past successes of PACT and other NGOs and groups working at the communal level were supported by USAID.

USAID can contribute to effective decentralization in the new ISP by engaging in some of the following DG activities:

- Continue to support urban neighborhood associations to enhance their capacity to negotiate with municipal authorities and oversee the operation of municipal government.
- Build the capacity of mayors and municipals councils as counterweights to the power of local administrative officials like the *sous-préfets* and the *Présidents de la Communauté Locale de Sécurité* (PCLS).
- Strengthen the institutional capacity of communal and other subnational-level associations and advocacy groups through training sessions and workshops.
- Provide assistance to establish credible voter registration lists and civil registries with accurate vital statistics at the local level.
- Support the development of effective mechanisms (*Groupes de Travail de Développement Rural* [GTDRS] and CDRs) for provincial, regional, and communal-level planning that ensures citizen participation through representatives of peasant associations, natural resource users, local business firms, etc. Most of these activities will take place in Mahajanga and Fianarantsoa Provinces and in Fort Dauphin where the *Anosy Comité Régional de Développement* (CRD) is just getting off the ground.
- Continue to assist organizations like CEDII that generate, collect, and disseminate data and information, which is shared by state and local government officials, CSOs, citizens, and research institutions, and is used as the basis for public discussion of important issues of concern to local communities.
- Explore the possibilities of reducing the cost and improving the quality of public goods and services through the co-production of services by state and local government officials, the private sector, and voluntary associations. Find ways to mobilize local financial resources.

The concentration of USAID efforts in these areas is justified because of USAID's comparative advantage and the complementarity of its efforts with other donors. The World Bank and the French are involved in developing fiscal decentralization mechanisms for transferring funds from the central government to local government institutions and training for local administrative officials. The French have worked on the elaboration of local government texts and training for communal-level local government officials.

USAID's sectoral and cross-sectoral efforts are providing valuable "lessons learned" that will inform future support to effective decentralization. USAID's JSI project ("we are healthy") is working in 20 "intensive" health districts in Antananarivo and Fianarantsoa provinces to improve the health status of the population through promotion of family-friendly and accessible healthcare and increased parental involvement in the health of their families. Health districts, which supervise an average of 25 health facilities (hospitals, clinics, health posts), are administrative jurisdictions roughly equivalent to the circumscription level of decentralized government services. The ENV and AG sectors have also supported peasant and local participation in rural development and environmental planning agencies.

### 3. *Civil Society*

Civil society in general remains weak and fragmented. The strongest national networks are the churches, and both the Protestants and Catholics have national, provincial, and parish-based organizations that effectively undertake social welfare (including disaster relief), some watchdog functions, some conflict mediation, and advocacy with appropriate levels of government. Secular national networks are either very much dominated by the center so that little assistance trickles down, and/or are donor-dependent and at risk of disappearing when donor funding ceases.

Given the dominance of the elite, particularly at the national level, support for civil society should involve both civil society deepening and strengthening. In terms of deepening, this means fostering participation — e.g., more rural-urban linkages, more interprovincial exchange, more participation of women at all levels, more focus on youth, and greater participation of the disenfranchised.

Building upon USAID's current civil society **strengthening** activities, more attention needs to be paid to advocacy and watchdog functions and to reinforce nascent formal and informal networks and alliances. The strengthening activities would continue to include the current work on internal organizational development but would have more emphasis on external relations, advocacy, and sustainability. The deepening activities are necessary to foster inclusion, so that CSOs purporting to represent "the people" are not just the elite talking to the elite. This latter point bears clarification: while synergy can certainly be useful to achieve specific aims, it is noted that if a number of USAID projects support the same relatively small group of NGOs, dependencies may be created and the utility of those NGOs as a viable independent voice for civil society may be in doubt. A deeper, stronger civil society will be in a better position to demand government that is efficient, responsive, transparent, accountable, and corruption free.

The civil society work should focus on organizations that are either demographically defined or issue based. Priority demographically defined groups include women, pregnant and lactating mothers, youth, persons living with advanced Sexually Transmitted Infections (STIs) or Acquired Immune Deficiency Syndrome (AIDS), etc. Issue-based groups include small farmers, urban neighborhood associations, cyclone-prone communities, labor unions, professional associations, multicomunity interest groups, and micro-savings and loans associations.

USAID's strategy to address **gender** in the FY 1998-2002 CSP has been one of mainstreaming, rather than gender-specific activities. USAID and the Embassy have promoted women's participation in economic and political affairs through not only sectoral efforts but also support to Malagasy participation in international conferences and other women-specific fora. USAID and its partners participate in the UN system-based Gender Thematic Group and the Gender Network. The team's analysis and USAID policy suggest that attention to gender should remain a key component of the new ISP. Of particular importance are women's inheritance rights, reproductive rights, greater awareness of HIV/AIDS and land tenure issues, and domestic violence.

Programs to strengthen and deepen civil society could include the following:

- Elaborate civic education campaigns geared to youth that would encourage voter registration and greater participation in the political process. These campaigns could be patterned on those developed in Senegal and recruit prominent Malagasy artists and musicians to deliver the message. Civic education components could be added to groups working with youth to prevent AIDS and other sexually transmitted diseases.
- Work with women's groups to support political candidates sensitive to women's issues — in essence, the creation of a Malagasy "Emily's List,"<sup>15</sup> and recruit women to run for public office.
- Support women's advocacy groups working in such areas as women's security of tenure, inheritance rights, reproductive rights, and domestic violence.
- Support grassroots micro-savings and loan associations in USAID focus areas and incorporate micro-savings and loan components to mobilize resources and finance economic and social activities of peasant and neighborhood associations.
- Continue to support the Embassy-nurtured Human Rights Working Group, especially in such areas as prison conditions, preventive detention, and protection of journalists' freedom of expression.
- Support efforts to enhance the autonomy and institutional capacity of Malagasy trade unions and trade union movement and facilitate the development of ties with the American trade union movement.

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<sup>15</sup> "Emily's List" is a US political action committee that develops a list of candidates that are sympathetic to women's issues and then supports their candidacy.

Sectoral CSOs have been the key to Mission successes, but more work is needed to deepen civil society representation and to strengthen CSOs so they are not dependent on parent-donor financing. USAID efforts to promote good governance, rule of law, decentralization, free flow of information, and independent media are replete with examples of CSO participation and dialogue in national development. Although the Mission has not taken a recent inventory, it is likely that the DG, EG, ENV, AGR, HPN, Title II, and disaster funds are helping to nurture local NGOs and CSOs that number well into the thousands.<sup>16</sup>

Although all USAID partners engage in civil society strengthening to some degree, the most direct work in this regard has been undertaken through the earlier *Rary* (“weaving,” with DG and EG funding), the follow-on *Ilo* (“illumination”) project, and the current *Miray* (“working together,” funded by ENV) projects. *Ilo* is working in both urban and rural areas to strengthen associations and NGOs to address identified issues. The *Miray* project is focused on management of protected resources, including management by NGOs and communities engaged in forest management (see above) or park buffer zone programs. These projects work with local associations and NGOs across sectors to help them articulate their mission, establish group norms and standards, develop planning and management tools appropriate to their mission, formulate positions and undertake advocacy, and generally function as a more effective group. Other USAID partners in the different sectors undertake similar organizational and institutional development efforts to assure that Malagasy associations/groups become effective partners in development.

#### **4. Free Flow of Information and Independent Media**

Improved information and media channels have been essential to fostering DG concerns. The most appropriate way to enable civil society to channel its demands is through the facilitation of greater information and communication flows among all actors. Increased information is necessary to increase transparency and accountability, thus increasing government responsiveness and decreasing corruption. It also improves the capacity of individuals and groups to make rational decisions. Increased communication and expanded venues for dialogue are essential for developing consensus and mitigating conflict.

The analysis in Sections I and II clearly pointed to the major role played by the independent media in informing the public and the utility of generating and disseminating accurate information to government institutions, civil society, and the general public.

Improving the free flow of information and strengthening independent media can be accomplished through the following activities in the new ISP:

- Provide training in specific areas related to DG and sectoral concerns — e.g., investigative reporting, health care, environment, etc. — and upgrade the ethics and professionalism of journalists.

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<sup>16</sup> For example, the ENV sector reports 380 villages with community-organized conservation activities, facilitated by project agreements with 26 local NGOs, and the HPN project LINKAGES works with 2,000 women’s organizations around the country.

- Provide greater support for journalists working outside the capital.
- Explore and introduce new low-cost technologies for starting and maintaining private and community radio stations based on the Malian model to enhance their economic viability.
- Nurture private and community radio stations at the provincial and sub-provincial level by offering assistance in management, marketing, and production techniques.
- Finance public opinion surveys.
- Encourage the use of the Malagasy language and dialects and elaborate modes of communication appropriate to one's audience with particular emphasis placed on modes of communication to reach illiterate audiences and other targeted groups.
- Continue to use the Leland initiative to support the development and use of the Internet in national and local government institutions, universities, the business community, civil society, and the media.
- Continue to support face-to-face venues such as workshops, conferences, and Information, Education, and Communication (IEC) efforts.
- Continue support for institutions like CEDII that generate good information, which is shared by a wide range of actors and used as a basis for planning and discussion of public issues.
- Provide support for expanding the number of themes covered by *Intermédias*, an independent media association that began by specializing in reproductive health issues.

## 5. *Economic Growth*

The Mission has raised the question as to whether it should continue to have a SPO combining DG and EG in the new ISP. While the team recognizes the importance and close interrelationships and synergies between EG and DG, it does not recommend the continuation of a joint SPO, which was originally conceived as an instrument for maintaining USAID's place at the table and for supporting the Structural Adjustment Program (SAP).<sup>17</sup> The Legal, Regulatory, and Judicial (LRJ) program, the establishment of ADR mechanisms for the business sector, support to *Institut National des Statistiques* (INSTAT) and the Cornell studies have made significant contributions to improving the business climate and informing national and donor decision-making for the SAP, the HIPC conditionalities, and the PRSP. The team sees no compelling need to continue a joint DG/EG for the following reasons:

- Synergies between EG and DG do not seem to be more compelling than between other technical sectors and DG.
- The Mission needs to increase its focus on DG concerns because DG is needed to achieve and sustain results in EG and the technical sectors.

<sup>17</sup> For more details on this point and for arguments to shift EG orientations, see Appendix C, *USAID Program Synergies*.

- The EG components of the SPO that contributed to the success cannot be taken much further and are concentrated at the national level. The DG analysis also suggest that the new ISP's efforts to reduce poverty should be focused more at the local rather than the national level.

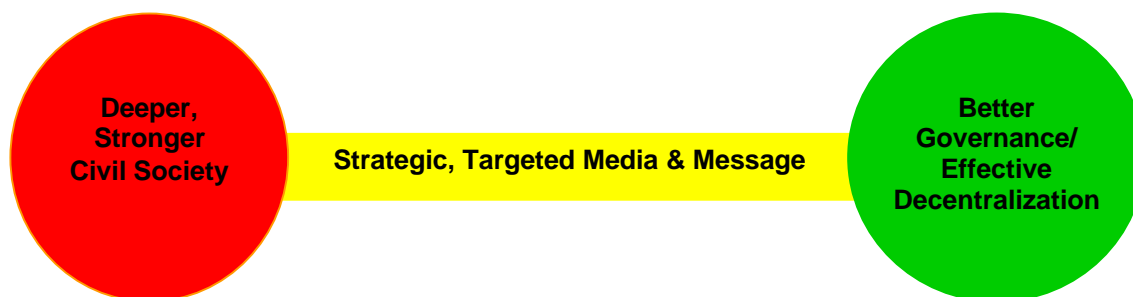
EG should continue to remain an important sector and part of the Mission's portfolio. The analysis in the DG assessment and USAID's overriding commitment to reduce poverty suggests a shift in orientation in the mission's EG components that might include the following interventions:

- Support decentralization by lobbying at the national level and among donors for shifting more economic investments from the capital to the provinces.
- Work closely with AGR in improving small farm technologies and marketing of cash crops needed to raise rural incomes and reduce rural poverty.
- Support and encourage the involvement of locally based entrepreneurs in co-producing public goods and services with local government and community organizations.
- Strengthen INSTAT and other research facilities at the provincial and communal levels generating and disseminating economic data.
- Support micro-savings and loans activities of peasant, urban neighborhood, and women's associations to strengthen their capacity to mobilize resources.
- Explore ways of generating and mobilizing more financial resources at the provincial and communal levels to fund health, education, and other basic services.

These kinds of EG interventions would complement and provide synergies with DG and technical sector interventions at the local level and hopefully contribute to the improvement of living standards and quality of services for the urban and rural poor.

## D. Conclusions

Based on the assumptions above, and overall Agency policy and experience, the three spheres of activities that will have the most direct impact on democracy and good governance are civil society deepening and strengthening; strategic, targeted media, and message; and better governance/effective decentralization. These three spheres are codependent; the team does not believe that better governance can be achieved without a deeper and stronger civil society making effective, realistic demands on government. Both parties need improved information (the message) and channels of communication (the media) to carry out their roles effectively.



Illustrative activities for each of the assumed sectors of USAID activity are presented in the matrix that follows this section.

The level of engagement in these spheres is essentially “resource elastic,” i.e., activities can be undertaken with small or large amounts of money and could be undertaken in more or fewer focus areas.

The matrix highlights those activities that the team suggests are most appropriate for a “DG program.” The matrix demonstrates, however, that USAID’s entire portfolio is synergistic and all sector accounts — DG, EG, HPN, AGR, ENV, Title II, and Cyclone — are assumed to continue to support DG through a stronger, deeper civil society; strategic, targeted media and message; and better governance/effective decentralization. Appendix D, *Managing for Results*, provides a brief summary of the pros and cons of taking various options and their potential impact on achieving results.



## Illustrative DG Activities for USAID/Madagascar FY 2003-2008 ISP

	Civil Society Deepening & Strengthening	Media & Message	Better Governance/ Effective Decentralization	Policy Reform/ Enabling Environment
<b>DG</b>	<ul style="list-style-type: none"> <li>• Increase public awareness that corruption is wrong</li> <li>• Increase demand &amp; advocacy for gov't accountability at all levels</li> <li>• Strengthen ADR at central &amp; local levels</li> <li>• Increase vertical and interprovincial networks and alliances</li> <li>• Strengthen media, HR, elections, watchdog, labor, women, other non-tech. groups</li> <li>• Support issue-driven or demographic-based civic education programs</li> </ul>	<ul style="list-style-type: none"> <li>• Train journalists (ethics, investigative methods, pools, etc.)</li> <li>• Nurture private radio station assistance (business planning, marketing, production, etc.)</li> <li>• Print &amp; disseminate laws</li> <li>• Expand Internet, possibly promote public access net services in provinces</li> <li>• Finance public opinion surveys, Afrobarometer</li> </ul> <p>Explore technologies to lower cost of starting and maintaining private radio</p>	<ul style="list-style-type: none"> <li>• Assist in harmonization of decent. planning &amp; budgeting to communal councils in HPN/EG/AGR focus areas</li> <li>• Improve/ harmonize civil registry and electoral lists (with other donors)</li> </ul>	<ul style="list-style-type: none"> <li>• [US Mission Policy Dialogue on DG issues]</li> </ul>
<b>PRSP – through 2003</b>	<ul style="list-style-type: none"> <li>• Support CS input to and monitoring &amp; evaluation of PRSP implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Support PRSP info. system</li> <li>• Promote intra and interprovincial information sharing</li> <li>• Support CS input to M&amp;E of PRSP implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Foster dialogue about decisions on budget allocation of HIPC relief</li> </ul>	<ul style="list-style-type: none"> <li>• Finance research &amp; studies on macroeconomic policy, other PRSP impact</li> </ul>
<b>HPN</b>	<ul style="list-style-type: none"> <li>• Community health orgs</li> <li>• Issue/demog.-based orgs: AIDS, youth, mothers, nutrition, media</li> <li>• HPN/ENV efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Health Mgmt. Info. system</li> <li>• DHS, etc.</li> <li>• Tech. training/support to media (<i>Intermédias</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Health District planning &amp; budgeting</li> </ul>	<ul style="list-style-type: none"> <li>• Health policy, norms &amp; standards</li> </ul>
<b>EG, AGR, ENV</b>	<ul style="list-style-type: none"> <li>• HPN/ENV efforts</li> <li>• Comm. Forest mgmt.</li> <li>• Comm. Conservation</li> <li>• Railroad communities' interest group, ecotourism investment zones, etc.</li> <li>• Small farmer groups</li> </ul>	<ul style="list-style-type: none"> <li>• National Environmental Office and National Park Service use of GIS and participatory planning processes</li> <li>• Tech. training/support to media</li> <li>• Agribusiness linkages</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial and sub-provincial (communal, special – PAGE project with communes, ecotourism investment zones, etc.) development plans</li> </ul>	<ul style="list-style-type: none"> <li>• EG/AGR/ ENV policy, norms &amp; standards</li> </ul>
<b>TITLE II</b>	<ul style="list-style-type: none"> <li>• Issue/demog.-based CSOs: farmers, mothers, urban neighborhoods, youth, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Food security monitoring system</li> </ul>	<ul style="list-style-type: none"> <li>• Communal-level food security plans</li> </ul>	<ul style="list-style-type: none"> <li>• Bellmon Determination</li> <li>• Food security policy, norms, standards</li> </ul>
<b>DISASTER</b>	<ul style="list-style-type: none"> <li>• Community-based and NGO disaster planning &amp; mitigation efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Nat'l and sub-nat'l disaster information &amp; communications system</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial &amp; communal level disaster planning</li> </ul>	<ul style="list-style-type: none"> <li>• Nat'l policy, strategies</li> </ul>
<b>OTHER US MISSION</b>	<ul style="list-style-type: none"> <li>• Amb. self-help fund for CSOs</li> <li>• US Peace Corps Small Project Assistance (SPA) and work with CSOs</li> <li>• Human Rights Working Group</li> <li>• US Military cooperation in disaster relief with CSOs</li> </ul>	<ul style="list-style-type: none"> <li>• PAS-sponsored media/Journalist training &amp; study tours</li> <li>• American Cultural Center outreach activities</li> <li>• Issue-based colloquia (prisoners rights, etc.)</li> <li>• Civic Education Working Group</li> </ul>	<ul style="list-style-type: none"> <li>• US Military post-cyclone rehabilitation of communal health clinics</li> </ul>	<ul style="list-style-type: none"> <li>• Policy dialogue on US and regional trade &amp; investment, e.g., AGOA, and other issues of strategic interest</li> </ul>

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## Appendices

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## **Appendix A.   References**

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## **Appendix B.    Persons Interviewed**

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## **ANTANANARIVO**

### **POLITICAL PARTIES AND GOVERNMENT INSTITUTIONS**

Norbert Lala RATSIRAHONANA, former Prime Minister and Chief of State; and Head of AVI

Herizo RAZAFIMAHALEO, Head of LEADER-Fanilo, Director of STEDIC business conglomerate; and one of owners of the daily *L'Express de Madagascar*

Honoré RAKOTOMANANA, AREMA-affiliated President of Senate, and Head of the *Conseil National d'Assistance Technique aux Provinces* (CNATP) that drafted legislation for the creation of Autonomous Provinces

Calvin RANDRIAMAHARAFALY, Secretary-General of the National Assembly

Noel RAKOTONDRAMBOA, Coordinator of justice sector activities within the MOJ representing the Office of the Prime Minister

### **CIVIL SOCIETY AND PRIVATE SECTOR**

Raphaël JAKOBA, Secretary General, *Centre d'Arbitrage et de Médiation de Madagascar* (CAMM)

Yveline RAKOTONDRAMBOA, President of Transparency International-Madagascar

Jean-Roland RANDRIAMARO, Political Historian and specialist on slavery in Madagascar, *Centre de Formation aux Sciences de l' Information Géographique et de l'Environnement*

Jaona Alain RANDRIANARISOA, Coordinator, *Comité de Réflexion sur la Compétitivité* (CRC)

Rigobert A. RAFIRINGASON, Administrator, Training Assistance Unit, Management Sciences for Health/Madagascar

James RAMAROSAONA, President, *Ordre des Journalists*; and correspondent of Madagascar Tribune

André, RASOLO, Secretary-General of Andrimaso FFKM

Hary Andry RAKOTONANAHARY, Sociologist and specialist on youth

General Denise FISCHER, National President, CAFED; and former General, Malagasy National Police

Mme. Sehenon Honorine RAZAKARISOA, Chief, Project Development, CAFED, and Chief, Studies and Planning Service, Ministry of Population and Women's and Children's Affairs

Mme. Vitarisolo Sophie AMELOBE, National Coordinator for Mahajanga Province, CAFED

Mme. Samueline BARJOHN, Press Attaché, CAFED

Dr. Hanta BARAKA CHARLOTTE, National Treasurer, CAFED

Alphonse RAMAHEFARISON, National Coordinator, *Confédération des Travailleurs de Madagascar* (CTM)

William RANDRIAMAHALEO, Coordinator of Economic and Social Rights Committee of CTM

A. ANDRIANTSIFERASOA, Coordinator, Privatization Commission, CTM

## **INTERNATIONAL NGOS**

Patrick BRENNY, Country Representative, PACT

Vincent CARBONNEAU, Coordinator, *Ilo* project, PACT

Jean-Michel DUFILS, Environmental Information Systems Advisor, PACT

Jean-Robert ESTIME, Chief of Party, Landscape Development Interventions (LDI)

Elaine ROSSI, Family Planning/Reproductive Health/Quality of Care Advisor, John Snow, Inc.

## **DONORS**

### **USAID/Madagascar**

Karen POE, Director

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Mary NORRIS, Program Economist

Catherine LOTT, Democracy and Economic Growth SPO

Corinne RAFAELL, LRJ Reform Program Coordinator

Leslie GOTTERT, Democracy Fellow

Fidele RABEMANANJARA, Economist

Richard RAKOTONDRAISOLOARIMANANA, Civil Society Specialist

Agma PRINS, Program Development and Assistance Office

David SOROKO, Natural Resource Office Chief

Susan ANTHONY, Health, Population, and Nutrition Officer

Kevin BOHRER, Civil Society Specialist, Africa Bureau

### **American Embassy**

Philip CARTER, DCM

Strother MURRAY, Public Affairs Section Officer

Cynthia NOBB, Coordinator, US Defense Attaché's Office

### **US Peace Corps**

Kathy TILFORD, Director

### **Other Donors**

Daniel GUENENCIA, *Association Francaise pour le Développement* (AFD)

Catherine HEIN, Country Representative, International Labor Organization (ILO)

Dominik LANGENBACHER, Swiss Agency for Development and Cooperation

Jesko HENTSCHEL, Senior Economist, World Bank

Anja NAGEL, Economist, EU

### **ANTSIRANANA PROVINCE**

M. RENE, *Préfet*

Dr. Noel RAJOAHNSON, Mayor of Antsiranana

Marisiky DAODO, Regional Coordinator, PACT

Mme. Anouska RANDRIAMAHARO, Financial and Administrative Assistant, PACT

Mlle. Solange FIDINIRINA, Information-Education-Communications Specialist, World Wildlife Fund (WWF)

PRIMAS (NGO, Presque-Isle of Masoala Association)

Christophe MANIRY, President, PRIMAS Association (NGO); and Vice President, Antsiranana Municipal Council

Charlot KALO, member of PRIMAS

M. Said MZE, President, AIDEN (NGO Association); President, *Association pour le Développement Rural de Diego* (ADRD); current Director, Regional Department of Mines and Energy; and former Rector, University of Northern Madagascar

Amady BAKAR, Journalist, Radio Top FM and Television Top Ten

Jean-Christophe POTTIN, private businessman and former French Foreign Legionnaire, Joffre Ville

Albert SOLO, President, *Association pour le Développement d'Ambohitra* (ADA) - a rural small farmers' association in buffer zone of Ambre Mountain National Park, Joffre Ville Commune

Eugène, Secretary, ADA

Jean Thomas, Animator, ADA

Samson, Animator, ADA

Jean Pierre, Member, ADA

### **FIANARANTSOA PROVINCE**

Herison Olivier ANDRIANTSOA, *Préfet* and Secretary-General to the Governor

Guy Ho-Lam ANDRIANTSOA, Mayor of urban commune of Fianarantsoa and owner of local radio and TV station and hotel

Jeannette RAZANAMALALA, President, KMF/CNOE

Auguste MAMY, law student and member, KMF/CNOE

Monique Marie RAKOTOMALALA, member, KMF/CNOE

Leonard RAZANAKOLONA, member, KMF/CNOE

Marie Thérèse RAVAOMIHANTA, member, KMF/CNOE

Dieudonné Michel Marie RAZAFINDRANDRIATSIMANIRY, President of the Board of Directors, *Centre d'Echanges de Documentation, et d'Information Inter-Institutionnelles* (CEDII); and former Rector, University of Fianarantsoa

Pierre Raymond ANDRIANASOLO, Head, regional federation of UNA-CIVILE in Fianarantsoa; and member, CEDII

Niaina R. RANDRIANJANAKA, Regional Director, INSTAT in Fianarantsoa; and member, CEDII Board of Directors

Victor OTONIA, Journalist and regional correspondent of *L'Express de Madagascar*

Samuel RAZANAMAMPISA, President, ADIFCE - an intercommunal association advocating improvements in regional railroad service; Second Vice Mayor of Fianarantsoa; and former General Manager, *Réseau National des Chemins de fer Malgaches* (RNCFM)

Charles RAKOTONDRAINIBE, Regional Director, ANGAP

Mme. Fanjasoa RASAMIJAONA, President, MMDF - the transporters' union

Father Victor, *Justice et Paix*

Jean Solo RATSISOMPATRARIVO, Provincial Coordinator, PACT

Pierrot RAMANDIMBIHASINA, Representative, FAMI – an NGO specializing in integrated development of the Autonomous Provinces to Coalition H20

Bary RASOLONANDRASANA, Representative, *Association Miray pour le Développement* - a local association involved in promotion of environmental protection, agricultural intensification, and cultural activities to Coalition H2O

Marie Emilien ANDRIASOLOTIANA, Head, Technical Division of Fianarantsoa Province branch of *FFF Malagasy Mahomby* - a development NGO involved in organizing and training grassroots associations

Manohisoa RABEMILA, Trainer and Community Organizer, *FFF Malagasy Mahomby*

Benjamin RANDRIANIRINA, Secretary-General, Fianarantsoa section of SECES - the university teachers' union.

Fulgence RASOLONJATOVO, Spokesperson, SECES

Célestin TSIAVALIKY, Spokesperson, SECES

Alain ANDRIATAVISON, *Cellule Technique de Fianarantsoa*, (CTFAR) - a provincial planning agency

Guy HAJA, LDI Project Organizer working with peasant federations in Alatsinainy Ialamarina on environmental issues, improvements in rural productivity, and dissemination of information concerning local government rules

Dr. Nicole RAZAFINDRATAVY, District Doctor, *Centre de Santé de Base* (CSB), Alatsinainy Ialamarina

Jacques MARTIN, Deputy Mayor of Alatsinainy Ialamarina

Group of four Rural Commune Councilors from Alatsinainy Ialamarina

Group of Heads of 14 peasant associations from Alatsinainy Ialamarina

## **MAHAJANGA PROVINCE**

Etienne Hilaire A. RAZAFINDEHIBE, Governor and former administrative head of the province

Damy RAZAFIMANDIMBY, Administrator, Provincial Technical Communication Unit; former Chief, Education District; and former instructor, National School of Public Administration

Thomas Gerard RAMAIROVOSON, *Justice et Paix*

Hajanirina Hariseta RAZAFITSIMIALONA, Vice President, KMF/CNOE

Leon RAKOTOAMBOA, Counselor, KMF/CNOE

Paul Bert RAKOTOARINIRINA, Staff member KMF/CNOE

Mme. Hajasoa RAMARIMANGA, Coordinator, PACT

Lova RAJAOFARA, Trainer, PACT

Tovohery RAVELOSON, Driver, PACT

Lucien RAKOTOARININA, Organizer, Landscape Development Interventions (LDI) project

Lala Marie BRIDGITTE, Project Technician, LDI

Emile RASOJIVOLA, Coordinator, LDI

Mamy RAKOTOARISOA, Group Organizer, LDI

Robert IASINDRAZA, Technician, LDI

Abdoul MADJID, President, *Hery Miray* (Urban Neighborhood Association)

Mme. Florine RAVAONARISOA, Vice President, *Hery Miray*

Jeannot RAVONIARISON, Head of Land Tenure, *Hery Miray*

M. KOTO, Treasurer, *Hery Miray*

Mme. Jacqueline RAZAFINOAMANANA, Coordinator, *Hery Miray*

Group of 15 members of *Ankijabe Kolo Harena* - a rural small farmers' association in buffer zone of Ankarafantsika Nature Reserve, Ankijabe Commune

Group of 44 members of the *Tsiasesy-Bekaly Kolo Harena Federation* – a federation of rural small farmers' associations in buffer zone of Ankarafantsika Nature Reserve, (Tsararano Commune) from Aftora, Sambatra, Mitsinjo, and Ezaka villages

Group of six members of *Union des Pêcheurs Traditionnels* (Traditional Fishermen's Union)

## **TOLIARA PROVINCE: FORT DAUPHIN**

Georges Mamy RANDRIANIAINA, Mayor of urban commune of Fort Dauphin and prominent local businessman

Delphin ANDREAS, Provincial Councilor affiliated with LEADER-Fanilo

Dr. Harinesy RAHARINDRANTO, President, *Action Santé Organisation Secours* (AOS); and member, *Comité Régional Environnemental* (CRE)

Jean Baptiste MAHASOLO, President, *Comité Régional de Développement* (CRD)

Fernand MOSA, Provincial Director, *Association Nationale de la Gestion des Aires Protégées*; Coordinator, GTDR

Ny Fanja RAKOTOMALALA, Regional Director, QIT Madagascar Minerals  
Mamy RASOANAIVO, President, *Fédération des Femmes et Développement* (FAFED)  
Pierrette RATIARIVELO, Treasurer, FAFED  
R. ANDRIATSIFERANA, Journalist, Radio Fanjiry  
Ndriana RAKOTOMALALA, Journalist, Radio Kaleta, a radio station owned by an AREMA-affiliated Senator  
Sylvia ANDRIANARISAINA, Journalist, Radio Josvah, a radio station owned by local deputy of the opposition  
M. RAKOTONARIVO, Journalist, provincial-level state radio and TV station  
Jean-Baptiste FAHAROA, Journalist-Technician of State TV radio station  
Gabriel TIARO, local representative, *Cellule du Coordination de FAFIFI* - a Lutheran Church NGO  
Edese Sherlock RAMIANDRASOA, Coordinator, PACT, Fort-Dauphin



## **Appendix C.     USAID Program Synergies**

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Sections I and II of this paper present an analysis of democracy and governance (DG) issues and systems dominated by a centralized elite that continues to control much of Madagascar's economic and social development. These DG issues and systems touch all that USAID — and indeed, the US Mission — attempts to achieve in Madagascar, in its technical sectors (Environment [ENV]; Economic Growth [EG]; Agriculture [AGR]; Health, Population, Nutrition [HPN], food aid [Title II], disaster programming) and overall bilateral policy dialogue. USAID/Madagascar has, in fact, been lauded as one of the leaders worldwide in fostering cross-sectoral synergies between DG and all sectors, and continues to exploit these to maximize results.<sup>18</sup>

The assessment team's statement of work (SOW) asks that the final report include *identification of natural synergies between the DG and EG sectors as well as between DG and DG/EG and health and natural resources.*

This question is particularly germane as the Mission undertakes development of its new Integrated Strategic Plan (ISP) for the FY 2003-2008 period. The current FY 1998-2002 Country Strategic Plan (CSP)<sup>19</sup> comprises two Strategic Objectives (SOs), one each in natural resources/environment and the other in HPN, and one Special Objective (SPO). This latter combines DG and EG funding to achieve results that contribute to the SPO of an *improved environment for private initiative*. The underlying rationale of the strategy is summarized as follows:

*In short, lasting and significant poverty reduction in Madagascar depends on the country's ability to expand productive and environmentally rational opportunities for Malagasy families and business. To sustainably reduce poverty, efforts to raise family health and food security, and those aimed at encouraging families and businesses to adopt environmentally sound practices, must be combined with measures aimed at spurring private initiative, productive investment, and thus higher jobs, productivity and income growth. Creating an environment that encourages private initiative is key to raising rural and urban productivity, job growth, and sustained poverty reduction in Madagascar. Our SPO seeks to improve the environment for private initiative by improving the legal, financial, and policy conditions for trade and investment, and by promoting more informed and responsive participation in economic and legal issues.*<sup>20</sup>

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<sup>18</sup> See, for example, Hal Lippman and Richard Blue's *Democracy and Governance and Cross-Sectoral Linkages, Madagascar Working Paper*, 1999, number PN-ACG-602 available from USAID's Center for Development Information and Evaluation, or the USAID/Madagascar FY2002 R4 Annexes on *Program Integration and Synergy and Cross-Cutting Themes*.

<sup>19</sup> An *Integrated Strategic Plan* incorporates not only USAID efforts but also those of the entire US government community in a given country — the Embassy, the Public Affairs Service, the Defense Attaché's Office, and the Peace Corps. The earlier *Country Strategic Plan* was specific to USAID alone.

<sup>20</sup> Madagascar Country Strategic Plan FY 1998-2002 Amendment, February 1998 (Original Edition February 1997), p. 8.

The SPO was originally geared toward keeping USAID's "place at the table" in the multidonor forum that supported Madagascar's Structural Adjustment Program (SAP) — and the preliminary dialogue leading thereto — over the 1994-2000 period. (The actual Policy Framework Paper, which sets out the key medium-term objectives of the reform program, was initially formulated in consultation with the Bretton Woods Institutions for the period 1996-1999, with a subsequent update to cover the year 2000.) The SAP was generally considered a success; for the period 1997-1999, economic growth averaged 4.1 percent and urban poverty fell significantly, from 63 to 52 percent.

USAID Madagascar summarized this success in its FY 2003 R4:

*With USAID and other donor support over the 1999-2000 period, Madagascar developed a poverty reduction strategy and in December 2000 adopted an Interim Poverty Reduction Strategy Paper (I-PRSP) and reached the Decision Point under the Heavily Indebted Poor Countries (HIPC) Initiative. Madagascar's debt service ratio, which had reached 46 percent in 1996, will decline to 5.3 percent by 2003 with the HIPC Initiative. As a result, the Government of Madagascar (GOM) will be able to use \$60 million in savings from debt relief for poverty reduction in 2001 alone. Madagascar has also taken necessary steps to benefit from US trade preferences under the Africa Growth and Opportunity Act (AGOA). Overall, the environment for private investment in Madagascar is improving, with an increase in private investment from 4.8 percent of GDP in 1998 to an estimated 6.5 percent in 1999.<sup>21</sup>*

USAID's contribution to this success through its SPO has averaged about \$1 million per year in combined DG/EG actual expenditures over the FY 1996-2000 period, notably in:<sup>22</sup>

- support to the *Institut National des Statistiques* (INSTAT) to provide high-quality data and analyses on trends that have greatly informed decision-making for the SAP, the HIPC conditionalities, and the I-PRSP;
- business law reform, codification and production of a word-searchable CD-ROM containing 300 Malagasy legal texts and regulations, and introduction of Alternative Dispute Resolution (ADR) as an alternative to the formal justice system for medium and large scale businesses;
- support to the *Caisse d'Epargne de Madagascar* (CEM) to expand and modernize services — as of 2001, the CEM had more than 570,000 clients, of which 48 percent are women, representing 6.8 percent of the adult population of Madagascar; and
- numerous public information efforts, both through activities to foster civil society-government dialogue in USAID's two focus provinces of Fianarantsoa and Mahajanga, as well as through provision of hardware and training to expand Internet access throughout the country as part of the Education for Development and Democracy Initiative (EDDI).

<sup>21</sup> The paragraph is quoted almost verbatim from *Madagascar FY 2003 Results Review and Resource Request*, March 2001, p. 11.

<sup>22</sup> *Madagascar FY 2003 Results Review and Resource Request*, pp. 15-17.

These types of activities will continue through the end of the current strategy in 2002.

The economic and political environment that gave rise to the EG/DG SPO in 1996 has changed for the better for much of Madagascar. However, a key failing of the SAP was that its benefits were not widely distributed. During the 1997-1999 period, rural poverty actually increased, to an alarming 77 percent of all rural households. The I-PRSP includes a number of strategies to address this problem, with particular emphasis on increasing the benefits to the rural poor. Part of USAID's deliberations on its new FY 2003-2008 ISP strategy will be to determine how it can best contribute to this end.

The question for this report thus is whether the “natural synergies between the DG and EG sectors” of the 1998-2002 period that appear to be contributing to reducing poverty — at least among the 23 percent of the population that is considered “urban”<sup>23</sup> — are expected to be similar for the period 2003-2008. The answer is “not really.” Many of the “quick fixes” to get the economy back on track have been completed under the SAP, some with USAID support. Laws have been modernized, trade and fiscal regimes have been liberalized, parastatals are being privatized, and the GDP is indeed moving up. But in spite of some noteworthy efforts at fostering linkages between the rural poor and the (mostly urban) growth points, and at decreasing the rampant corruption that mitigates all public and much private sector economic progress, the rural masses are generally excluded from the benefits. The PRSP and HIPC are an attempt to address this imbalance. **Section III of this report suggests that as development of the new ISP proceeds, USAID should consider a strategy for the 2003-2008 period that focuses DG resources more tightly on issues of inclusiveness and better governance, effective decentralization, civil society, and free flows of information and media.** The Mission's EG, HPN, ENV, AGR, Title II, and other resources could be used to complement these areas of focus as appropriate.

Some USAID efforts that already foster multisectoral synergies for stronger DG impact are summarized in the following section. These may serve as building blocks for the new, more focused strategy.

### ***Good Governance***

**The use of technical issues as a “point of entry” on dialogue to foster *good governance* has been, and should continue to be, a key theme of USAID's strategy in Madagascar across all sector programs.** For example, USAID's sectoral offices worked to assure that key technical issues were included in the donor-government dialogue to secure GOM commitment to improve performance in a number of areas as a trigger for debt forgiveness under the HIPC program. In response to perceived corruption in government management of natural resource exploitation, USAID lobbied to assure that HIPC conditions included commitment to improve oversight and management of fishing, logging and mining exploitation at the national and provincial levels. Also, in response to troubling data on potential for rapid spread of HIV, USAID led donors in persuading the government to create a multisector AIDS prevention

<sup>23</sup> The 23 percent urban figure is derived from a 77 percent rural figure dated 1993, reported in 2001 as part of the *Madagascar en chiffres* box on the back cover of the *Fond des Nations Unies pour la Population à Madagascar 1999-2003* brochure.

program as a HIPC condition. To date, this has led to the Prime Minister initiating an intersectoral HIV/AIDS/STD committee and a GOM earmark of \$1.5 million in savings of debt relief in 2001 for HIV/AIDS prevention.<sup>24</sup>

On a sub-national level, USAID partners assisted the Malagasy National Office of the Environment to undertake an environmental assessment of a proposed significant Canadian-Malagasy private business investment in an ilmenite mine in the Ft. Dauphin area. The assessment process involved the national and provincial-level personnel of the Ministries of Mines and Energy, the Environment, and Water and Forests; as well as local elected leaders, civil society organizations (CSOs), and national and international environmental activists and businesspersons. The assessment strengthened the ability of the government-private sector-civil society regional development committee in Ft. Dauphin to frame, debate, and resolve issues of mutual concern, which bodes well for management of the increased tax base and thus provincial and municipal revenues once the mine comes on stream. The Ft. Dauphin experience is also expected to serve as a positive model for all actors when the environmental impact assessment of the proposed expansion of the nickel mine near Moromanga gets underway. This latter investment would be led by the US conglomerate Phelps-Dodge, and is also of strong interest to the US Embassy.

These are but two recent and visible examples of USAID's program synergies. Numerous other USAID multisectoral efforts to promote "good governance" are threaded through examples of cross-sectoral synergies in the following paragraphs.

### ***Decentralization***

**USAID's sectoral and cross-sectoral efforts are providing valuable "lessons learned" that will inform future support to decentralization.** USAID's JSI ("we are healthy") project is working in 20 "intensive" health districts in Antananarivo and Fianarantsoa provinces to improve the health status of the population through promotion of family-friendly and accessible health care and increased parental involvement in the health of their families. Health districts are administrative groupings of the Ministry of Health — and now the province — roughly equivalent to the circumscription level of decentralized government, that supervises an average of 25 health facilities (clinics, hospitals, health posts). USAID is providing direct grants to the two provincial health directorates and the 20 health districts to build their capacity to support improved quality of care in the clinics and health facilities they oversee. The grants are awarded only after the health personnel engage in a participatory planning process with health facility personnel, communities and local government entities in the district, and staff receives continuous training with regard to financial accountability and reporting. This initiative has been management-intensive for USAID, but appears to be achieving the desired capacity-building results. USAID plans to assess achievements during the next year to determine whether the modality should be considered as part of its support to decentralization in the future, and such findings will be shared across all sectors.

USAID is also promoting increased public sector-private sector-civil society-donor dialogue at the regional level through fora related to the national rural development action plan (*Plan*

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<sup>24</sup> *Madagascar FY 2003 Results Review and Resource Request*, pages 28 and 35-36.

*d'Action pour le Développement Rural* [PADR]). The PADR is administered through the Ministry of Agriculture and receives World Bank support. As part of the PADR, the government established at least twenty *Groupes de Travail de Développement Rural* (GTDRs) to correspond to the agro-ecological regions of the country. At least one province (Mahajanga) has created GTDRs to correspond to its five sociopolitical regions. The key actors represented in a GTDR are (i) decentralized government officials (elected and appointed, i.e., *préfets*, *sous-préfets*, and mayors); (ii) deconcentrated services of line ministries; (iii) farmers' organizations; (iv) programs/projects managers and/or NGO representatives; and (v) private sector businesspersons. As noted earlier in this assessment, the gap between the commune and the province is wide, so the PADR-driven creation of any forum at that level, and Mahajanga's attempt to align the sociopolitical and agro-ecological boundaries, are of note.

USAID is strengthening the work of the GTDRs in Mahajanga and Fianarantsoa both from the center out and from the bottom up. Under its *Ilo* ("enlightenment/illumination") project, USAID is strengthening the public sector information sections within governors' offices in the two provinces as well as nurturing CSOs to establish and manage public access information centers in provincial capitals. *Ilo* project personnel are also working closely with partners from the National Environmental Office and USAID's Environmental Management Support Project to establish and strengthen provincial and regional information systems for these provincial information centers and for GTDRs in USAID's focus provinces. The systems will incorporate geographic information system (GIS) data from environmental and agricultural offices with socioeconomic data from INSTAT and others. *Ilo* resources at the center are also being used by INSTAT to continue to undertake research to inform the PRSP implementation process, and this information is made available to the provincial information sections, the civil society information offices, and the GTDR information systems. These efforts are more advanced in Fianarantsoa than in Mahajanga, but are well received by the governors, donor projects, NGOs, and literate persons who avail themselves of the new information.

From the bottom up, personnel from the *Ilo* project are collaborating with colleagues from USAID's Landscape Development Interventions (LDI) project to try to get the peasant groups more active in the GTDR forum. The LDI project is working in several areas of the country to improve biodiversity conservation and sustainable natural resource management within ecologically significant landscapes. Building on achievement of a predecessor USAID project, Commercial Agricultural Development (CAP), LDI personnel have further nurtured capacity building of small farmer groups (*Kolo Harena*) to engage in dialogue with the National Park Service over management of land and forest resources in buffer zones around protected areas. *Ilo* project personnel are now joining forces with LDI to help the small farmer groups federate so that they can serve as peasant advocacy groups at the GTDR basis. Over the medium term, it is hoped that these groups will provide a cogent peasant input into PRSP monitoring.

These common efforts to promote decentralized, broad-based, participatory fora at the regional level by USAID projects financed by DG, EG, ENV, and AGR resources as yet have few measurable results beyond "inputs delivered." Until such time as the regions are assigned technical responsibilities, authorities, and — importantly — budgets, it is not clear quite what the role or impact of the GTDRs will be. However, they represent consensual approaches by numerous actors to foster horizontal and vertical linkages among peasants and both provincial



and deconcentrated government offices that should be monitored as Madagascar's decentralization moves forward.

### ***Free Flow of Information and Independent Media***

**Improved information and media channels have been key to fostering DG concerns within sectoral programs.** USAID's Leland Initiative has truly put Madagascar on the "information superhighway" in the last five years, with strong benefits to EG, DG, ENV, AGR, HPN, Title II, and disaster programs. Its support to a free and independent media, both through technical sectors and more broadly, has helped improve content and quality of reporting **but much remains to be done to assure that both the media and the messages are more accessible to the rural poor.**

USAID's achievements through the *Leland Initiative*<sup>25</sup> have leveled the playing field for access to information on all subjects. As late as 1996, prior to USAID's efforts, Madagascar's trade, business, professional, academic, civil society, and other communities still had to rely on very expensive and unreliable telephone, fax, surface, and air mail, for simple business transactions and most exchange of information and knowledge. There was one expensive Internet service provider, owned by the national telecommunications agency, TELMA. Data transfer was unstable, unreliable, and slow, and there were only an estimated 200 Internet customers, all of whom were in the capital city of Antananarivo. In a scant five years, with under \$1 million in direct Leland Initiative funding, but with significant USAID and Embassy dialogue and encouragement, there are now nine Internet service providers — of which eight are private sector-owned — providing more affordable, faster service to some 8,500 customers around the country.

In addition, the US Mission's policy dialogue was convincing enough that the GOM accepted a regulatory framework and agreed to bid new cellular and other value-added services, in addition to the Internet, on the open market, thus breaking the government monopoly on these services. There are now several cellular service providers competing for an expanding market. The competition has brought lower prices, and more importantly, reliable service.

Leland technicians and USAID partners have provided equipment, training, and technical assistance to INSTAT in Antananarivo and the provinces. USAID's demographic, environmental, economic, and other specialists have worked with Leland and INSTAT to assure that the newest technologies, including POPMAP, MAPINFO, and other GIS software are used. Building on this base, USAID helped its partner, the *Association Nationale de Gestion des Aires Protégées* (ANGAP), to work with INSTAT to link the 1997 Demographic Health Survey data with environmental databases, providing improved environmental, humanitarian and disaster and health monitoring. The regional planning work undertaken through the PAGE project, mentioned above, is but one result of this work.

With USAID nurturing, the nine Internet service providers established an association through which they conducted effective negotiations with TELMA, on items such as tariffs and the

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<sup>25</sup> The paragraphs on the Leland Initiative were originally presented in *Madagascar FY 2001 Results Review and Resource Request*, in the Annex on Program Integration and Synergy.



need to establish a more level playing field. In January 1999, TELMA agreed to trade off the remainder of the bandwidth subsidy to procure equipment to connect two important secondary cities to the national gateway: Tamatave which is the main harbor, and Antsirabe which is the largest industrial town after Antananarivo. In July 2001, USAID helped open a “point of presence” at the university at Fianarantsoa. Although access to the Internet is still limited primarily to the wealthy and donor-supported government offices, this devolution of control of information is facilitating trade and investment and will likely play a strong role in fostering provincial autonomy as decentralization progresses.

USAID has also promoted both quality and access to information through nurturing formation of a number of **media associations** focused on specific sectors, and USAID and the Embassy Public Affairs Section have provided training and technical assistance to the members.

Since 1996, USAD has been nurturing the work of *Intermédias*, or Interprofessional Media for Social Issues, an independent association of over 30 print and broadcast journalists in Antananarivo and over 40 in the other provinces, who specialize in writing about reproductive health. These journalists are committed to working together to inform public debate and influence decision-making. Their approach is unique. Rather than competing against each other to get a story, they choose a topic together, and then time their coverage to coincide so that all the news media report on the topic at the same time, thus attracting everyone’s attention to the matter. The journalists represent Antananarivo’s three daily newspapers, several radio stations, two television networks, and a woman’s magazine. Association members reach audiences estimated at 500,000 or more.

In the last few years, *Intermédias* has created *Intermédias* Clubs in all the provinces. These clubs facilitate the flow of information in the media from the capital to the provinces, and vice versa. They are particularly important as a means of reaching the more than 150 private radio stations and over 60 newspapers that have sprung up around the country. *Intermédias* members conduct workshops for their provincial club members, and plan to establish an *Intermédias* website to improve communications. HPN partner organizations, including the JSI project and the successful social marketing program, also rely on *Intermédias* to inform the public. Numerous products — including condoms, bed nets, and *Sur Eau* (water purification) — are being aggressively marketed on 20 private radio stations by the social marketing program, often in collaboration with *Intermédias* journalists. JSI has developed numerous modules on immunization, nutrition, breastfeeding, etc. that are also promoted through the media. *Intermédias* is but one of 15 issue-specific journalist associations in Madagascar, but its efficacy demonstrates the potential of this channel of communication.

USAID’s natural resources office has indirectly supported a free and independent media through the Malagasy Environmental Journalists’ Association; of note is the recent and lively press and radio coverage of the environmental impact assessment for the Ft. Dauphin ilmenite mine. Several of the AGR/ENV-supported projects have undertaken effective radio campaigns on particular topics, and the LDI project has organized *kolo harena* listening groups for project-specific messages. While indirect, this nurturing of the media will help reinforce the infrastructure as it grows into its “watchdog” role.

In spite of these impressive achievements with the Internet, telecommunications, and the media, there are still numerous invidious means of limiting freedom of expression of both the media and of citizens in general (as described in Sections I and II). Section III of this report suggests some options for continued support to the media, but with enhanced attention to providing more focused DG messages in areas of concern. Two that are evident are promotion of human rights — particularly freedom of expression — and expanding the public's awareness and behaviors with regard to corruption at all levels.

### ***Rule of Law and Administration of Justice***

**USAID has made important contributions to improving Madagascar's rule of law and administration of justice both through sectoral HPN and ENV programs, and as a DG/EG and DG-specific activity under the SPO.** As stated earlier, the DG/EG SPO has supported business law reform, with current attention to such issues as partnerships, limited liability companies, and public corporations (the Company Code); bankruptcy; leasing; and secured transactions. It has financed the codification and printing of Malagasy laws, including the production of a word-searchable CD-ROM with over 300 legal texts and regulations. It has also undertaken a number of anti-corruption efforts, including assistance with development of an Ethics Code for judges; establishment of a chapter of TI in Madagascar; and drafting of an anti-corruption law. Finally, USAID has supported introduction of ADR to Madagascar. This has led to the recent formation of seven regional ADR committees and creation of the Malagasy Arbitration and Mediation Center, which offers arbitration and mediation services as an alternative to the formal justice system for medium and large-scale businesses. These and other types of support to improve the rule of law in Madagascar will prove important as Malagasy businesspersons avail themselves of the benefits of AGOA and other preferential trade regimes.

USAID's HPN partners also work with the larger private enterprises to assure that labor law is followed, particularly with the establishment of "Baby Friendly Workplaces" to assure that women workers can exercise their right to take the necessary time to breastfeed their infants when they return to work after giving birth. An increasing number of export processing zone companies — which employ thousands of women workers — have agreed to follow the law, after lobbying by USAID partners. The HPN team is also collaborating closely with the new national "focal point" for HIV/AIDS to assure attention to the rights of persons living with AIDS and to rights of registered commercial sex workers and the rights of employees in general, and the free enterprise zone in particular. Indeed, an elected officer of one USAID-nurtured commercial sex worker organization, FIVMATA, was selected as the only sex worker representative to be part of a Malagasy delegation to an international colloquium. On an ongoing basis, HPN partners are working closely with the Ministry of Health and private providers to mitigate problems that have arisen since the Ministry initiated its cost-recovery policy — thus putting public clinics in competition with private and NGO-operated facilities. In the future, HPN will focus on such legal issues as leveling the playing field by enabling private pharmacies to sell generic drugs, which they are currently not permitted to do; establishing an accreditation board for NGO and private clinics, to promote transparency in the public and private health care relationship; and promoting reproductive rights by changing the media law to allow for advertising of other contraceptives besides condoms.

In the environmental sector over the past eight years, USAID's support to the National Environmental Action Plan has led to promulgation of a number of laws and regulations essential to rational natural resource management. The major environmental impact assessment for the Ft. Dauphin ilmenite mine, mentioned above, is one example of how the environmental laws are being applied to promote informed good governance for economic growth. In the rural areas, USAID used earlier non-project assistance to leverage development of the legal framework that now, among other things, supports a process that is transferring management of classified forests to local communities, with about 200,000 hectares slated for transfer in the near future. USAID partners in the LDI, PAGE, and other projects are undertaking communications campaigns to assure that the new laws are understood and applied, and that peasant groups and individuals are exercising their rights and responsibilities with regard to these valuable resources.

A major rule of law/good governance issue for the ENV sector in the future is the implementation of the condition in HIPC for increased transparency in issuing permits for natural resource exploitation, and in accounting for and allocating receipts from the legal exploitation. The initial priority for government and donors is forest resources. The Ministry of Water and Forests is in the process of establishing forest observatories in each province to monitor these processes. The donor group that supports the National Environmental Action Plan is lobbying that the observatories must be a public-private partnership, so that the ministry is not, in essence, just monitoring itself. This dialogue is likely to continue into USAID's new ISP, with new legal and regulatory issues to address as it unfolds.

The LDI, PAGE, *Ilo*, and the *Miray* ("working together") projects engage USAID in key areas of potential conflict, land tenure and security of property in general. In Mahajanga, in response to expressed needs, *Ilo* staff are working with a vibrant urban neighborhood association to help it engage the municipal council to undertake a cadastral survey and help register land and property. The Governor's Office is also engaged in trying to find an acceptable way to move urban squatters to make room for his ambitious program of port development. In rural areas, other donors — notably the Germans and the Swiss, in their focus areas — are working with farmer groups and government to title agricultural land. In all areas, securing property rights — both urban and rural — was cited as the primary conflict point in rural communities and at the primary courts. In some rural communities, the conflict can be resolved through traditional mediation mechanisms, e.g., *dina*. In others, ethnic diversity due to internal migration has rendered the *dina* less effective, and intervention by municipal councils or higher authority is in order. Security of property in urban and rural areas is a potential conflict area that USAID might fruitfully pursue as part of a DG-EG-AGR strategy in future years.

### *Civil Society*

**Sectoral CSOs have been key to Mission successes, but more work is needed to deepen civil society representation and to strengthen CSOs so they are not dependent on parent-donor financing.** The examples above of USAID efforts to promote good governance, decentralization, free flow of information and independent media, and the rule of law are replete with examples of CSO participation and dialogue in national development. Although the Mission has not taken a recent inventory, it is likely that the DG, EG, ENV, AGR, HPN,

Title II, and disaster funds are helping to nurture local NGOs and CSOs that number well into the thousands.<sup>26</sup>

Although all USAID partners engage in civil society strengthening to some degree, the most direct work in this regard has been undertaken through the earlier *Rary* (“weaving,” with DG and EG funding) project, the follow-on *Ilo* project, and the current *Miray* (ENV funding) project. *Ilo* is working in both urban and rural areas to strengthen associations and NGOs to address identified issues. The *Miray* project is focused on management of protected resources, including management by NGOs and communities engaged in forest management or park buffer zone programs. These projects work with local associations and NGOs across sectors to help them articulate their mission, establish group norms and standards, develop planning and management tools appropriate to their mission, formulate positions and undertake advocacy, and generally function as a more effective group. Other USAID partners in the different sectors undertake similar organizational and institutional development efforts to assure that Malagasy associations/groups become effective partners in development.

As described in Sections I and II, however, civil society in general remains weak and fragmented. The strongest national networks are the churches, and both the Protestants and Catholics have national, provincial, and parish-based organizations that effectively undertake social welfare (including disaster relief), some watchdog functions, some conflict mediation, and advocacy with appropriate levels of government. One provincial governor told the team that he relies strongly on the churches as key voices of civil society, and it is known that other lead politicians similarly seek advice. Secular national networks are either very much dominated by the center, so that little assistance trickles down, and/or donor-dependent and at risk of disappearing when donor funding ceases. One exception is CNOE, which experienced a major management crisis in the mid-1990s and now operates in a flat, nonhierarchical manner, with each chapter — national and six provinces — forming a separate cost center that does not rely on central controls.

Given the extent of corruption in the government, it is important that USAID and other donors continue to work with CSOs both to achieve sectoral results and to provide a more effective counterbalance to the strong executive government. Section III provides some options for USAID to consider in strengthening and deepening civil society. The strengthening activities would continue to include the current work on internal organizational development but would have more emphasis on external relations, advocacy, and sustainability. The deepening activities are necessary to foster inclusion, so that CSOs purporting to represent “the people” are not just the elite talking to the elite and competition. This latter point bears clarification: while synergy can certainly be useful to achieve specific aims, it is noted that if a number of USAID projects support the same relatively small group of NGOs, dependencies may be created and the utility of those NGOs as a viable independent voice for civil society may be in doubt. While USAID should continue to work with those CSOs of importance to achieve sectoral aims as suggested above, there are some DG-specific issues that require increased attention from a broader group of actors presented below.

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<sup>26</sup> For example, the ENV sector reports 380 villages with community-organized conservation activities, facilitated by project agreements with 26 local NGOs, and the HPN project LINKAGES works with 2000 women’s organizations around the country.

### *Other DG and Sectoral Synergies*

The sections above cover the major areas in which USAID has promoted “...natural synergies between the DG and EG sectors as well as between DG and DG/EG and health and natural resources.” (ref. DG Assessment Team SOW). These are good governance, decentralization, information and media, rule of law/administration of justice, and civil society development.

The team notes that USAID and its US Mission partners have also provided important support to **legislative development**. The Leland Initiative provided technical assistance and training to get the National Assembly online, and helped it establish its website. The US Mission has also funded some study/observation tours for individuals and provided punctual support for conferences and workshops. Given the analysis in Sections I and II regarding the legislature’s role in democratic development, the team suggests that the US Mission remain open to possible provision of punctual support but not plan any significant programs with the legislature in the short or medium term.

The US Mission has also been active in promoting **human rights**. Of particular note is the Embassy-nurtured Human Rights Working Group that has become vocal enough that its views are reported in local newspapers. Some of the topics taken up by the group include prisoners’ living/detention conditions and journalists’ freedom of expression. Work by the HPN and ENV sectors in promoting reproductive rights and security of tenure also pertain. As noted above, these are areas in which the team finds some need/opportunity for increased efforts.

USAID’s strategy to address **gender** in the FY 1998-2002 CSP has been one of mainstreaming, rather than gender-specific activities. USAID and the Embassy have promoted women’s participation in economic and political affairs through not only sectoral efforts but also support to Malagasy participation in international conferences and other women-specific fora. USAID and its partners participate in the UN system-based Gender Thematic Group and the Gender Network. The team’s analysis and USAID policy suggest that attention to gender should remain a key component of the new ISP. Of particular importance are women’s inheritance rights, reproductive rights, greater awareness of HIV/AIDS and land tenure issues, and domestic violence. Given the extreme paucity of women holding provincial or national political office, as part of its renewed emphasis on inclusion, USAID might also consider work with women’s groups to support political candidates sensitive to women’s issues — in essence, the creation of a Malagasy “Emily’s List.”<sup>27</sup>

Neither USAID nor the US Mission in general has provided direct assistance to **political parties**, and given the analysis in Sections I and II, the team suggests that this has been a wise decision. USAID and Embassy personnel have served as observers in past **elections**, and through the Africa Regional Democracy Fund (ARDF) were able to assist CNOE and FFKM to train monitors for the 2000 provincial elections. USAID had expected additional ARDF funding to train and support local observers for this year’s presidential elections, but at the time of this writing that funding was in doubt.

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<sup>27</sup> “Emily’s List” is a US political action committee that develops a list of candidates that are sympathetic to women’s issues and then supports their candidacy.

The problem with elections is not just the voting but also the creativity used in developing voter registries. UNICEF is currently mounting a major campaign to register births and improve the civil registry overall, and the UN has been known to work in this field in other countries. Section III provides some suggestions for USAID to participate with the UN and other interested donors to promote an improved voter registry system that is tied to the civil registry and less vulnerable to fraud.

## **Appendix D. Managing for Results**

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Following are options for the Mission to consider in order to manage for greater DG impact.

**SPO DG/EG:** Continue portfolio more-or-less intact; funding permitting, possible greater focus on three key spheres of activity: civil society deepening and strengthening, media and message, and effective decentralization.

**Pro:** Comfort level; adjusts well to modest resources; provides some links between USAID economic policy analysis/dialogue and information/communications and civil society efforts.

**Con:** Does not meet Automated Directive System (ADS) definition of a SPO; financial and management resources widely dispersed — does not seem most efficient or effective use of limited resources — and higher-order results are not evident.

**SO DG/EG:** Continue portfolio more-or-less intact, but conform to ADS definitions; funding permitting, greater focus on three key spheres of activity: civil society deepening and strengthening, media and message, and effective decentralization.

**Pro:** Comfort level; adjusts well to modest resources; provides some links between USAID economic policy analysis/dialogue and information/communications and civil society efforts.

**Con:** Synergy between DG and EG is no greater, and perhaps more tenuous, than between DG and HPN or DG and AGR, etc.; isolates DG policy/enabling environment activities from rest of Mission.

**SO DG:** Refocus portfolio on key DG spheres of activity: civil society deepening and strengthening, media and message, and effective decentralization.

**Pro:** Potentially greater DG impact, with higher-order results, than in current program; positions Mission to be more engaged should the DG context change; focuses DG team management efforts in fewer arenas; provides for support to fundamental bases of democracy not covered by other sectors, e.g., HPN, AGR, ENV, EG, Title II; facilitates monitoring and reporting of DG.

**Con:** Paucity of DG money — need to beg from other sectors; additional independent SO might be perceived as management burden on “limited Mission.”

**Crosscutting DG SO:** Refocus portfolio on key DG spheres of activity: civil society deepening and strengthening, media and message, and effective decentralization — but only in geographic areas and with those issue-based or demographic groups already working with HPN, AGR, ENV, Title II, and disaster programs.

**Pro:** Seeming more efficient use of management and financial resources, with greatest potential synergy among all sectors; potentially greater DG impact, with higher-order results than if there were no DG SO at all (but less than if there were a stand-alone DG SO); augments meager DG resources with those of other sectors for joint results; keeps Mission’s place at the table in DG.

**Con:** Agency experience shows higher management burden than if stand-alone; “everywhere but nowhere” syndrome (e.g., gender); donor coordination potentially difficult.

**Crosscutting DG themes:** Assure that HPN, AGR, EG, ENV, Title II, and disaster programs all address key DG spheres of activity areas but no DG SO.

**Pro:** Addresses DG issues at no cost/low cost.

**Con:** Even greater potential for “everywhere but nowhere” syndrome – Agency experience has shown that if there are no financial resources and no results to monitor/report, issues tend to get lost.

**No DG theme or SO:**

**Pro:** Simplifies Mission management load; may provide for OE savings.

**Con:** Does not address fundamental development challenges in Madagascar — if the Mission does not include DG at some level in the new strategy, it will not be able to achieve any other results and might as well just pack up and go home.

## **Appendix E. Team Biographies**

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**Sheldon Gellar** has been involved in African studies for over forty years and has had more than 25 years of experience as a development consultant working primarily in Francophone Africa — Senegal, Mali, Mauritania, Chad, Niger, Guinea, Cameroon, and Rwanda. Multidisciplinary in approach, he has done consultations based on institutional analysis in a wide range of areas — e.g., primary health care in Cameroon; natural resources management in Senegal and Mali; irrigation projects and programs in Senegal, Mali, and Mauritania; economic policy reforms in Senegal, Mali, and Guinea; and millet marketing in Chad. His main areas of specialization include democratization processes and governance issues, decentralization, civil society, and institutional analysis. He has participated as a member and team leader of democratic governance assessments in Senegal, Mali, Guinea, and Niger for USAID. In his last assignment before coming to Madagascar, he served as team leader for an assessment of civil society in Rwanda. He is a graduate of the *Institut d'Etudes Politiques* in Paris and holds a Ph.D. in Public Law and Government from Columbia University.

**Laura McPherson** began her development career in Niger in 1974 on the Sahel Drought Recovery and Rehabilitation Program, and has continued to work primarily in Africa with and/or for USAID. Her areas of specialization include strategic alignment; activity design, strategic and implementation management; development management; and institutional development. She has worked extensively on DG issues in broad terms and in sectoral contexts in Egypt (legislative development), Ethiopia (education, Title II), Haiti (civil society, human rights, elections, parliament, health, education, food security), Mali (civil society, health, education, economic growth), Nepal (rural area development, women's empowerment), Senegal (decentralization, health, agriculture/natural resources management, private sector/microfinance), and Zambia (health, education, private sector/microenterprise). She holds a B.Sc. from Boston University and studied International Agriculture and Rural Development at Cornell University.

**Jean-Eric Rakotarisoa** is a Law Professor in the Faculty of Law, Economic Management and Sociology at the University of Antananarivo and is one of Madagascar's leading political analysts and best-known journalists. He has conducted numerous consultations for USAID and other donors dealing with decentralization, the legal system, the environment, and land tenure issues. He also participated in ARD's Madagascar DG assessment in 1994. He is one of the founders and main writers for DMD, a weekly journal of political and economic commentary widely read by the country's opinion leaders. He has published extensively in the *Malagasy Law Review* and organized training sessions for Malagasy journalists. He holds a doctorate in law from the University of Antananarivo.